

THE BRITANNIC QUESTION

RICHARD JEBB

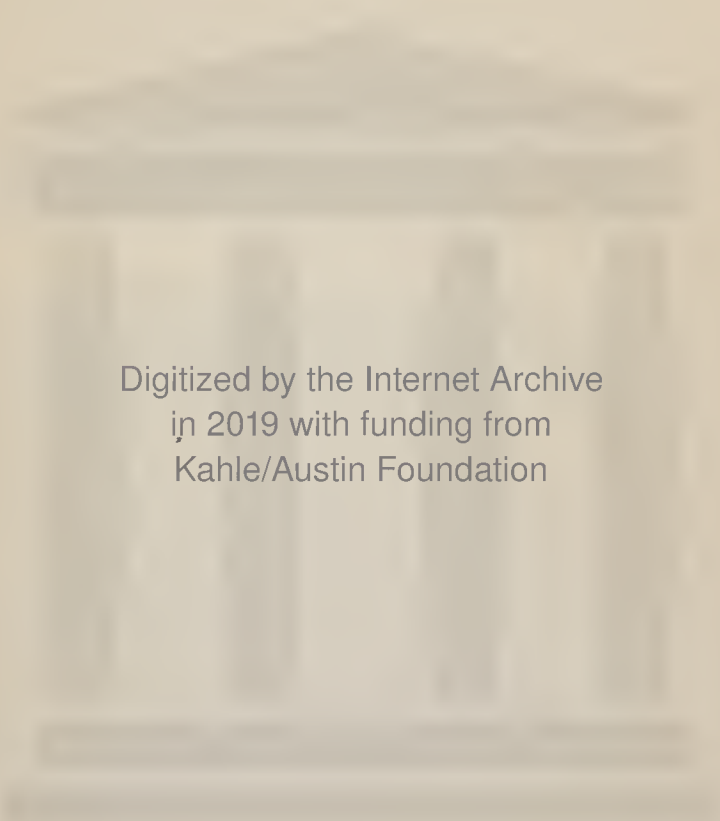
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THE BRITANNIC QUESTION

BY THE SAME AUTHOR

THE
IMPERIAL CONFERENCE

A HISTORY AND A STUDY

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THE BRITANNIC QUESTION

A SURVEY OF ALTERNATIVES

BY
RICHARD JEBB

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"THE IMPERIAL CONFERENCE," ETC.

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INTRODUCTION

ASSUMING that the British Empire is destined to continue, and also that it is rapidly outgrowing its old political form, the Britannic Question is the problem of how to effect a closer and permanent union between the self-governing States. The purpose of this little volume is to compare briefly two different views of the subject.

Within the past few years the startling growth of Germany's naval power, and the remarkable series of events in Canada which began with the second American reciprocity campaign, have awakened a more widespread and lively interest in the Britannic question. Developments of lasting importance are felt to be impending in the relations between Britain and the Dominions. Everywhere a responsibility rests upon the electorates to decide certain issues soon ; issues which can neither be considered with due intelligence nor be determined with reasonable confidence unless there is some general appreciation of the principles involved in the alternative solutions. But up to the present very few persons have

been both willing and able to follow the complex development of the Britannic question with that close and constant attention in default of which the real meaning of successive events may easily be missed. For example, I think, the main significance of an important episode—to be described later on—in connection with the Imperial Conference of 1911, was completely misunderstood at the time, owing to the newspapers generally failing to correlate it with what had gone before and was already forgotten. Almost the only people who seem to have continuous hold of all the threads are the permanent officials, who thus tend to become the real masters of the situation.

The conception of Britannic union has appealed to two different kinds of temperament, producing two different schools of “imperialism,” each with its appropriate idea as to the form which the desired union should take. But in proposing to sketch the difference between these two schools a preliminary warning is necessary; as, indeed, is usually the case when simplicity is sought by means of broad generalisations. The division is, in reality, nowhere hard and fast. Of those who profess and call themselves imperialists—and we might fairly include some who abjure that name altogether—many could not be definitely

assigned to either school. Moreover the division may be traced, as will be seen, under various aspects which sometimes cut across each other instead of covering always the same congeries of persons. None the less, the difference seems to be at least as well defined as any permanent political division ever is. The several aspects under which it may be viewed are treated separately in the following chapters. To begin with, there is historically a contrast between the British view and the colonial view, reflecting the impulses, respectively, of British Ascendancy and Britannic Equality. Philosophically, though not in party politics, that contrast has illustrated the distinction between Conservatism and Liberalism, or the military and the economic conceptions of statecraft. Finally, in the Britannic politics of our time, especially the near future, we find an opposition between the centralisers and the autonomists, each with their more or less definite policies ; on the one side, Imperial Federation ; on the other, Britannic Alliance.

If I rightly judge the meaning of recent events, especially the moral effect of Mr. Borden's naval Bill, we are faced with a campaign more strenuous than ever before in behalf of Imperial Federation. I never anticipated any such possibility until

two years ago, when I was on the point of publishing a book on the history of the Imperial Conference. My first impulse, under which I had to write whatever I would say then, was to get into line somehow with the federalists, for I had begun to feel that the division of forces was a besetting weakness of the imperial movement. In an earlier book, *Studies in Colonial Nationalism*, I had taken up the position that Imperial Federation was not practicable, and might not be desirable if it were. I now hastened to modify that position, by admitting that Imperial Federation was the ideal end, and, further, that in certain contingencies it might even be speedily practicable.

That was two years ago. Since then, I have tried to reconsider at greater leisure my original view, in the light of all that has happened since it was first formed. The result is that I repent the haste with which I may have jettisoned it for the sake of nominal agreement. Tardily I have come to recognise that the school to which I belong, and which originated in the Dominions long before my time, reflects a temperament as well as an argument, differing fundamentally from the temperament and argument of the English school of Imperial Federation. But, after all, is this con-

scious division of opinion in the imperialist ranks a sign to be deplored? It is the tradition of our race that our political institutions are not imposed upon us by bureaucratic wisdom but are evolved through public discussion and controversy, a process which depends upon differences of opinion existing. In relation to the Britannic question the dividing line used to be between imperialists and anti-imperialists, the latter being opponents of closer union in any shape and of any policy whatever for promoting that aim. But within recent years the circumstances have happily changed. The anti-imperialists have practically ceased to count. For that change credit is due to the courage and persistence of the pioneers who in the past generation fought, and have won for us, the preliminary campaign. To-day the imperialist's aim is generally accepted by all parties in Britain as well as in the Dominions; and so we may enter gladly on that more advanced stage of the movement, in which, the end being taken for granted, public opinion is divided as to the means of attaining it. For my own part, I cannot honestly regard Imperial Federation as the best solution, even though it may be possible to achieve it by dint of the German menace and a determined effort. My original

conclusion is now reinforced, in my own mind, by new conditions of which I had not previously taken account, because they have only lately come forcibly into view; especially all that is meant by the "labour unrest" in contemporary Britain, and the discredit which has overtaken the mother of parliaments. Apart from other considerations, it now seems to me that Imperial Federation, by defining too narrow and exclusive a category of interests common to the Empire, might prove an obstacle to the social regeneration of Britain, of which the best hope seems to lie in the ultimate possibility of social-economic unification with the Dominions. It also seems to me that if the money-power in politics has already perverted the working of the parliamentary system in Britain, there might be a serious risk and grave mistake in creating an empire government, by controlling which the money-power would get a central grip on the life of the Empire as a whole. Perhaps the amalgamation of local governments has already proceeded as far, or nearly as far, as is desirable at present, and the practical problem now is how to co-ordinate the five or six separate governments under some system which, without impairing their several sovereignties, would enable them to work together more effectively for common purposes.

Necessarily, in this book, much space is devoted to questions of political machinery. But any reader who perseveres to the end will readily understand that my own conception of the Britannic commonwealth is one which in practice would have to depend for its success on the enterprise of unofficial bodies—in associating the everyday interests of the ocean-sundered peoples, and in spreading the unifying influence of the great ideal—at least as much as on governmental action. Government, and it alone, can provide the necessary framework, political and economic. But government could not alone endow or maintain it with the spirit of life.

An explanation of the terminology used may be advisable. Throughout these pages “imperialist” means, simply, one who favours closer union of the Empire, in any form. The word is not used in the special sense—often adopted in party controversy—which connects imperialism with aggression, or with a desire to enlarge the sphere of Imperial control at the expense of local self-government. “British” is restricted to things appertaining to Britain, or the United Kingdom, especially. “Britannic” refers, as in the familiar expression, His Britannic Majesty, to things common to the autonomous States of the Empire,

viz., Britain, Canada, Australia, New Zealand, South Africa, and Newfoundland. In an extended sense, since the above are responsible individually or collectively for the rest of the Empire, Britannic may be used of things pertaining to the Empire as a whole. For greater convenience, however, and because it is literally appropriate, the old term Imperial has been reserved for that wider connotation.

By labelling as Alliance a certain conception of the Britannic commonwealth, I have exposed myself to Sir Charles Lucas' just criticism of those "logical" men in the olden time who decreed that the colonies must go. In an admirable statement of the family analogy for the changing relationships between the Old Country and the new ones, he observes, "Family relations are neither logical nor illogical: they are human."¹ Quite so, and for that reason I used to avoid Alliance and employ Partnership, which his own language would approve. But then some of my federalist friends would reproach me for basely disguising a horrid, disruptive conception under a specious name which, they complained, might equally be taken to imply what they are pleased to distinguish as a "real" union. As a concession

¹ *Greater Rome and Greater Britain* (1913) p. 27.

to them, I have preferred to use Alliance, and explain it as partnership, rather than continue to use Partnership and explain it as alliance.

I have endeavoured to avoid overloading these pages with footnotes. Most of the facts prior to 1908 may be verified by reference to my book, *The Imperial Conference*, and in the third volume of that work—which is now being prepared—full references are to be given for the facts subsequent to that date.

A set of diagrams illustrating various forms of Imperial union is appended at the end of the volume.

RICHARD JEBB.

RHIWLAS,
OSWESTRY,
March, 1913.

THE BRITANNIC QUESTION

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CHAPTER I

THE HISTORICAL ASPECT

BRITISH ASCENDANCY v. BRITANNIC EQUALITY

IN modern history there is quite a clear opposition between the colonial or Dominion view (to use the later official term) and the British view, as to the appropriate form of Britannic union. The Dominion view is the older of the two. Nearly fifty years ago the issue obtruded itself in connection with the confederation of the North American colonies into what is now the Dominion of Canada. Sir John Macdonald, the Canadian statesman who had most to do with that achievement, wished the new State to be christened the Kingdom of Canada. But the suggestion was rejected at the instance of the Foreign Secretary, Lord Derby, who feared that it might offend the republican prejudices of the Americans. Throughout the long negotiations which finally resulted in the British North America Act of 1867, legally constituting the Dominion of Canada, Sir John Macdonald felt that the Colonial Office, though very willing to assist the enterprise, was completely lacking in the imagination of

statesmanship. "*He* was intent," says his biographer, "upon founding a kingdom; *they* upon effecting an arrangement which would result in the simpler administration of the Colonial Office."¹ His idea of designating the new Canada a kingdom arose naturally out of his general conception as to the ultimate form which would be taken by Britannic union:—

"England, instead of looking upon us as a merely dependent Colony, will have in us a friendly *nation*—a subordinate, but still a powerful people—to stand by her in North America in peace as in war. The people of Australia will be such another subordinate nation . . . She will be able to look to the subordinate nations *in alliance* with her and owning allegiance to the same Sovereign, who will assist in enabling her to meet again the whole world in arms, as she has done before."²

"LITTLE ENGLAND"

The notion of colonies locally uniting, and growing into a "nation" without leaving the Empire, had begun to emerge a century earlier in the original American colonies, but had dropped

¹ Pope, Vol. I., p. 312.

² *Confederation Debates*, p. 44. I am indebted to Mr. Ewart for tracing this reference. His *Kingdom Papers*, advocating "Canadian Independence," illustrate a different use of some of the principles maintained in this book. The *Papers* are published periodically. They are a mine of orderly information, and are supplied gratuitously on application to J. S. Ewart, K.C., Ottawa. Every student of the Britannic question should take advantage of the offer, though few may agree with Mr. Ewart's actual policy.

out of mind after the War of Independence. To-day, when the same idea has long been familiar in the Dominions, and has taken some root even in Britain, it requires an effort of imagination to realise the boldness of Sir John Macdonald's forecast. In referring to an "allied" nation as being also a "subordinate" one, he was not necessarily guilty of a contradiction in terms. It may have been a concession to conservative instinct; but it may also be explained as referring to a difference "not of status but of stature"—as Lord Milner once expressed it. The past fifteen years have brought the dream within sight of fulfilment. Forty-five years ago the prevailing idea in Britain was that the remaining colonies were destined soon to sever their connection; that it would be a good thing if they did; and the local union of the colonies in Canada was regarded as a decisive step in that direction. At this time there was no British idea of Britannic union, either to contrast or to coincide with the Canadian idea which Sir John Macdonald had enunciated. In Britain apathy reigned supreme. Such was the national frame of mind which a few courageous pioneers, including a surviving veteran, Sir Frederick Young, set themselves to combat when in the year after Canadian confederation they founded the society afterwards incorporated as the Royal Colonial Institute. In defiance of the then prevailing philosophy the purpose of the Institute, as defined in its royal charter, was "the preservation of a permanent union" of the parts of the Empire.

COLONIAL NATIONALISM

In other parts of the Empire, especially Australia, Sir John Macdonald's vision was appreciated by some, who, without sacrificing their sentimental feeling for the mother country, had come to realise that the conditions of life in these new countries were likely to engender an indigenous and distinctive national sentiment, as the new communities advanced in population and wealth. They perceived the radical error of the English point of view which presently invented such expressions as "Greater Britain," and "The Expansion of England," to recall the titles of two famous books. If the native-born children and grandchildren of British settlers tended to regard Canada, or Australia, or South Africa as their own fatherland, how could French Canadians or Dutch South Africans be expected to look upon the British as their nation, or Britain as their country? Since no permanent union of the Empire could be founded on that conception, an early effect of the imperialist revival in England was to aggravate republicanism in the colonies, especially Australia. But that was a passing phase. Sir John Macdonald's alternative conception has proved more congenial to the nationalist impulse which in 1900 succeeded in uniting the six Australian colonies into one Commonwealth, and, ten years later, made of the four South African colonies a single Union. The imperial expression of colonial nationalism has been the idea of *Britannic Alliance*; as opposed to the perpetuation of colonial dependence, or

to any form of imperial union which would permanently establish the supremacy of Britain in the councils of the Empire.

MUTUAL AID IN LIVING

From the beginning the idea of Britannic Alliance has been associated with that of mutual preference in trade between the allied nation-States. Sir John Macdonald is identified with both. As early as 1879, while he was Premier of Canada, we find him mooting the trade question with the British government. Canadians of his time and temperament seemed to feel intuitively that alliance could never succeed as the permanent form of Britannic organisation unless it were reinforced with a strong network of economic interests between the allied peoples. By instituting betimes a system of that kind they thought that they would promote not only the material development of Canada's natural resources, but also a feeling that the imperial connection was a national asset rather than an incubus or a risk.

BRITISH ASCENDANCY

In Britain, meanwhile, the main attraction of the imperial idea, which as yet appealed to very few, seemed to be that closer union might strengthen the general security of the Empire, for which Britain was entirely responsible, by drawing naval contributions from the colonies. Partly owing to the conspicuous examples of federal union in the United States and Canada, and partly because the business of defence may be facilitated

by centralised administration, the proper form of union naturally appeared to be Imperial Federation, *i.e.* the creation of a federal parliament with an executive responsible to it. India and the Dependencies presented a difficulty which might be overcome by merely transferring the responsibility of their administration from the British to the federal government, reserving the federal parliament for the self-governing peoples alone. In any such parliament the first chamber, being elected on a population basis, would contain a large majority of British representatives, at least under the lopsided distribution of population which still continues. In the other or second chamber, usually labelled the Senate, the States might all have equal representation, as in the American and Australian instances. But Britain's ascendancy would be secure, at least for many years, in the popular chamber, to which the federal government would be directly responsible. This was a feature which possibly might reconcile Britain to the idea of admitting the colonies to a share of imperial authority, but which was not likely to commend the scheme to the Dominions. As Sir John Macdonald seems to have foreseen when he spoke of founding a nation and an alliance, the rising instinct of Canada, and afterwards of Australia, demanded an extension rather than a reduction in the scope of national government, and national responsibility. To them, Imperial Federation spelt British Ascendancy, while their own ideal was Britannic Equality, to be expressed in a system of alliance.

THE FIRST COLONIAL CONFERENCE

A war scare arose in 1885, relations with Russia being very strained. The Colonial Office was beset with urgent requests from the self-governing colonies for advice and assistance in preparing to meet the expected emergency. To advise the Colonial Secretary in such matters the Colonial Defence Committee was formed, consisting of Whitehall officials. In this congenial soil ideas of regular colonial contributions were likely to germinate—a condition of things which has lately been reproduced in a proposal to create an imperial Defence Committee for advising the British government how to utilise Dominion contributions to Britain's navy. In 1887, the Queen's first Jubilee offered an opportunity, which was readily grasped by Lord Salisbury's government, of holding a colonial conference. The normal conflict of imperialist conceptions may be seen in the circumstance that, while the British government postulated defence as the primary subject of discussion, the government of the leading Australian colony (New South Wales) specifically instructed its delegates to have nothing to do with Imperial Federation. The British imperialists succeeded to the extent of inducing the Australians, after much haggling, to combine in paying a small annual subsidy for the presence of a British naval squadron in Australian waters. Otherwise the main result of the Conference was that it revealed the readiness of colonial statesmen to approach the question of Britannic union

from the side of trade and maritime communications.

THE IMPERIAL FEDERATION LEAGUE

Already a vigorous Imperial Federation League had sprung up in Britain, with the object of settling the Britannic question in accordance with the British view. This body had helped to promote the Conference of 1887. It was patronised by several eminent statesmen, including such leading Liberals as Mr. W. E. Forster and Lord Rosebery. Branches were founded in Canada and Australia. But before the end of the century the League had fallen into difficulties and dissolution. Its political plan could not be definitely set forth without antagonising the growing force of colonial nationalism, which declined the idea of transferring the most important national functions to a joint legislature. Moreover, the oversea sections of the League, especially in Canada, were disappointed at the reluctance of the parent body to accept the principle of mutual preference in trade, which in the Canadian view had always been essential to Imperial Federation. The British notion, that Imperial Federation might not be incompatible with Free Trade, showed how the British conception of closer union was bound up with the instinct of ascendancy, *i.e.* the ordering of Britannic affairs in Britain's interest. This aspect was emphasised when the parent League reduced itself to an "Imperial Federation (Defence) Committee," and confined its propaganda to the doctrine that the colonies ought to subsidise Britain's navy.

Within a few years the Imperial Federation (Defence) Committee, discouraged by failure, in turn transformed itself into the Imperial Co-operation League; the change of title indicating an honest effort at willingness to consider alternative methods of Britannic union for defence.

THE OTTAWA CONFERENCE

In 1894 the second Colonial Conference was held, on the invitation of the Canadian government, at Ottawa. In Canada commercial union with the United States had been proposed, and was only defeated after an embittered general election had been fought on that issue. It was a situation similar to that which we witnessed in 1911. The new government felt that the best hope of preventing the revival of the American policy, and of giving stability to the political future of the Dominion, would be by effecting mutual trade preferences within the Empire.¹ Accordingly they desired to discuss primarily trade matters, including the question of intercolonial preference, which they hoped might lead up to reciprocity with Britain also. The Conference agreed upon the outlines of a scheme for establishing a fast line of steamers, and a telegraph line, to connect Britain with Australia by way of Canada. For this purpose a Britannic partnership was to be formed of the governments concerned. The British delegate, Lord Jersey, warmly commended the proposal to his government, of which Lord Rosebery was then

¹See Mr. G. E. Foster's able speech. *Imperial Conference*, vol. i., p. 176^a

the head. But nothing came of it until Mr. Chamberlain acceded to the Colonial Office. The international situation being peaceful, imperial defence did not come up for discussion at the Ottawa meeting.

MR. CHAMBERLAIN'S ADMINISTRATION

Mr. Chamberlain, the radical who left Mr. Gladstone on account of Home Rule and helped to form the Liberal-Unionist coalition with the Conservatives, came to the Colonial Office, in 1896, by his own choice. As a business man and a progressive politician he was likely to be impressed with the possibilities of Britannic reciprocity; especially when the new Canadian government, under Mr (afterwards Sir Wilfrid) Laurier, enacted the first preference in favour of British trade, which Mr. Chamberlain felt it was desirable to reciprocate. He utilised the occasion of the Diamond Jubilee in 1897 to hold another Colonial Conference, and he presided over a second in 1902. Unable on either occasion to make any practical offer of reciprocity, owing to the reluctance of his colleagues in the cabinet to consider anything short of mutual free trade, he concentrated his efforts on the traditional British policy, urging that the colonies ought to support Britain's navy; and he suggested a tentative imperial council as a first step towards Imperial Federation. But he could make no progress on these lines, both Canada and the new Commonwealth of Australia standing firm for the independence they had already won; though the Commonwealth did agree to renew the

naval agreement. The meagre result, in 1902, was particularly disconcerting to the British imperialists because the recent demonstration of "loyalty," in the shape of the colonial contingents sent to the South African war, had led them to imagine that the time had arrived for a long step towards Imperial Federation. They were still quite blind to the true nature of the instinct which had spontaneously produced the colonial contingents—just as to-day many imperialists are misreading the impulse of the "emergency" naval policy of Canada.

THE LYTTLETON DESPATCH

In 1903 Mr. Chamberlain, convinced at last that Britannic reciprocity was vital, resigned from the government in order to lead a real campaign for Tariff Reform. But not all the imperialists of his party were disposed to follow this new departure, which represents in history the first attempt of British statesmanship to understand and accommodate the nationalist imperialism of the Dominions. Some resuscitated the idea of approaching Imperial Federation by stages; in the same way that the Home Rulers of that time were planning an Irish Councils Bill which might "lead up to the larger policy" of complete Home Rule. The theory, in the imperialist instance, seemed to be that the reluctant attitude of the Dominions was due merely to "colonial" prejudices and ignorances which might be dispelled by careful education and judicious leading. Hence the proposal to substitute for the Imperial Conference, which had now

become a recognised institution, an advisory council and permanent secretariat. Mr. Lyttelton (Mr. Chamberlain's immediate successor) was induced to embody this proposal in an official circular to the Dominion governments in 1905. The proposal was received more favourably by the smaller colonies than by the two great Dominions which had already acquired a national consciousness of their own. Canada, under Sir Wilfrid Laurier, detected ascendancy, and declined to approve the plan. The Australian Commonwealth was less timorous, Mr. Deakin being willing to try whether the scheme might not be readapted to the principle of *Britannic Equality* and a working system of *Britannic Alliance*.

"RESOLUTION I. OF 1907"

A vigorous attempt in this direction was made by Mr. Deakin at the Imperial Conference of 1907, where he was backed by Sir Joseph Ward (New Zealand) and Dr. (afterwards Sir Starr) Jameson (Cape Colony). In outline their proposal was to preserve the Conference in the form it had already acquired, as a congress of governments, but to provide for a steady continuity of its work between sessions by establishing a joint and permanent secretariat, on which the governments would be represented severally by their own nominees and would all enjoy the same rights of initiative, approval and dissent. The discussion was hampered, inevitably, not only by the novelty of the proposal, but also by the normal conflict of stand-points; the British statesmen trying to envisage

a committee advisory of an imperial government, and the Dominion statesmen a consultative board of responsible governments, including the British government as *primus inter pares*. Foreign governments, when their ambassadors meet in conference, do not worry about who is to "control" their proceedings. But the British statesmen and officials were temperamentally unable to envisage an international kind of Britannic relationship, and insisted that centralised authority would be necessary. Sir Wilfrid Laurier, unable to forget that originally the "secretariat" idea had been the offspring of ascendancy, took refuge in the fatal position that the existing system, Colonial Dependence,¹ in practice left nothing to be desired. Owing to his attitude, the other Dominion statesmen felt constrained to postpone the controversy, by accepting the offer of the British government to provide the Conference with a secretarial staff within the confines of the Colonial Office and without their assistance in any shape. Thus was British Ascendancy rescued from its imminent peril.

But, in this characteristic conflict of aims, the honours were not undivided. The capital resolution which secured to British Ascendancy the potential influence of the new secretariat, embodied also a striking victory of Britannic Equality. Under its terms the Imperial Conference was formally established as a council of responsible ministers only, representing governments as such. The method of decision would be by voting, on the

¹ See diagram at end of volume.

basis of one government one vote. The sessions would be quadrennial ; but provision was made for holding at any time Subsidiary Conferences, of specially appointed representatives, for the purpose of dealing with matters of urgency or of a technical nature. This resolution has been held by the Colonial Office itself to cover the appointment of a standing committee, so that no further resolution seems to be necessary for giving continuity to the work of the Conference by means of ministerial representatives in London. The executive power of the Conference is distributed, as always in international alliances, among the component governments ; each government being responsible morally to its Britannic peers, and constitutionally to its own parliament, for giving effect to whatever resolutions it has accepted in the course of the Britannic session. In so far as its membership is confined to responsible governments, and its system of deciding is that of " one government one vote " (on the theory that national States as such are all equal in status) the Imperial Conference truly represents the principle of Britannic Alliance. Consequently its development in 1907 has been palpably distasteful to two important sections of British imperialists ; first, the government departments, which always instinctively cling to the old forms of British ascendancy ; secondly, to imperial-federalists who seem to apprehend that the Conference may prove an obstacle in the path of Imperial Federation. Theoretically the apprehension should be unfounded, because the principle of State equality is not alien to federalism, and is

sometimes embodied in the constitution of federal Senates, as in the American and Australian examples. In practice, however, a successful experience of Britannic Alliance would, no doubt, weaken the argument for federal union ; and those who have no confidence in the principle of alliance might naturally prefer that the experiment should not be made, or, if made, that it should break down at the outset.

Another phase of the struggle for Britannic equality, at the session of 1907, was that Mr. Deakin made clear the intention of the Commonwealth to set about creating a navy of its own, instead of continuing to hire naval defence from Britain. What he specially desired was the co-operation of the British Admiralty in rendering the prospective Australian navy an integral part in a thought-out scheme of Britannic defence. Unlike the Admiralty, the War Office had already abandoned the hope of getting colonial contingents placed at the continuous disposal of the British government. But at this session the idea of alliance found military expression in an agreement to establish a joint General Staff, for promoting uniformity of organisation and tactical training, and for preparing plans of co-operation in war.

THE NAVAL CONFERENCE, 1909

Between 1907 and 1911 (when the Imperial Conference met again), the "German peril" began to dominate the British outlook. In the spring of 1909, the Foreign Secretary, Sir Edward Grey, told the Commons that the navy would have

to be practically rebuilt. As a result of this startling pronouncement, coming as it did from a non-imperialist quarter, "emergency" offers of assistance were made by New Zealand and Australia, and in Canada a sectional demand arose for similar action. Accordingly a Subsidiary Conference was arranged to meet in London for the purpose of concerting Britannic measures of naval defence. The principle of centralised control, dear to British Ascendancy and suggestive of Imperial Federation, was rejected by the Australian and Canadian governments. They preferred, in principle, a scheme approved by the Admiralty for re-establishing Britannic naval power in the Pacific by means of "fleet units,"¹ which the Dominions might create, and which their governments would continue to control until, in cases of emergency, they might decide to transfer them for the time being to the senior Admiralty. By this expedient they would automatically acquire a real and effective voice in foreign policy, because, once the fleet units were created, no British government could afford to take any important step without being sure that its naval allies concurred. But the alliance would be unprecedentedly intimate in form. The types of vessel and of armament in all the fleet units were to be Britannicised; training and tactics were to be uniform

¹ A "fleet unit" is the Admiralty's term for the smallest unit of a fleet that can be regarded as self-contained for purposes of administration, *i.e.* a battleship and its attendant cruisers and small craft, etc. See report of the 1909 Conference *Cd.* 4948, p. 21, §§ 4-7, and *cf.* Appendix.

for all; constant interchanges of personnel were to be arranged. When units met, the senior admiral would take command of the whole. Forthwith the Commonwealth government, which was now in the hands of the Labour party, set about carrying out its part of the programme with exemplary vigour, even to the extent of enlarging the liabilities it had assumed at the Subsidiary Conference. By mutual consent the "emergency" offer of a gift of battleships to Britain was withdrawn, in order that the resources and energy of the Commonwealth might not be diverted from the far more important execution of the permanent policy. New Zealand's proffered battleship was earmarked for a fleet unit which Britain would provide on the China station, as part of the scheme for a Pacific Fleet. The scheme included also an East Indies unit, which likewise was to be provided by Britain. South Africa felt unable to do anything pending the completion of the Union.

CONFUSION IN CANADA

In Canada, however, it soon became apparent that the Laurier government, which had consistently declined to make an "emergency" offer of ships or money to the British government, did not really believe in the necessity of naval preparations in any form, and was carrying out its part of the programme in a farcical manner. The opposition party, never expecting that within a short time the government would commit suicide with American reciprocity, hastened to attack the naval Bill with little regard for the contingency

that they themselves might soon be called upon to frame a policy in accordance with their criticisms. Not content with denouncing the attenuated scope and feeble execution of the Laurier programme, some of them assaulted the principle of national control, which is the keystone of both national autonomy and Britannic Alliance. This extreme attack, reversing the traditional direction of Liberal-Conservative policy in Canada, seemed to be inspired by honest indignation at the government's failure to recognise more adequately in such a crisis the national responsibilities of the senior Dominion. Allegations, moreover, of corrupt as well as inefficient administration, seemed to be inducing a sense of despair of the Dominion's ability to carry out a programme like that of Australia. Finally, there was, as so often before, the mutual distrust of the two Canadian races, embarrassing both the government and the opposition. British Canadians feared that a Canadian navy might not always be available to the Empire when Quebec ruled at Ottawa; while French-Canadians feared that a Canadian navy might become a dangerous symbol of British ascendancy nearer home than Downing Street. Advantage was taken of this situation by the old imperialism in Britain to urge with redoubled energy, for Canadian ears, the professional doctrine of unified control as the essential of naval organisation. The Canadian desire to do quickly something genuine was enlisted in support of an "emergency contribution" of battleships or money to the British Admiralty. By the spring of 1911, when

the next session of the Imperial Conference began, the Laurier naval Act had been passed, and a half-hearted beginning had been made with the exiguous scheme. Australia, meanwhile, had placed a contract with British shipyards for the early delivery of the agreed fleet unit, and was busy working out with the Admiralty the novel (and therefore difficult) details of Britannic alliance in naval defence.

1911. *IMPERIAL FEDERATION PROPOSED*

At the Conference of 1911, a concrete proposal of Imperial Federation was made for the first time by a government, and—paradoxically enough—by the government of a Dominion. Younger by several generations than Canada or Australia, and lacking the sense of future power which has stimulated the national idea in those continental territories, New Zealand had always preferred the method of direct contribution to the British navy as the best means of satisfying her Britannic impulse. In 1909 her government, under Sir Joseph Ward, had been foremost in offering an “emergency” gift, rather than co-operate with the Commonwealth in creating a Pacific fleet. Politically the result was precisely what the imperial federalists, in persistently urging the contribution policy, had always supposed it must be. The Dominion found itself in the intolerable position of voting money to be expended by a different government, 12,000 miles away, in support of a foreign policy which might or might not take due account of Australasian interests. The case for political

representation was undeniable. Determined to press the matter at the Imperial Conference Sir Joseph Ward sent in notice of a motion, advocating the creation of a colonial council in London for advising the imperial government as to the interests of the Dominions in current questions of common concern. An essential feature of this proposal was that it purported to leave intact the autonomy of the Dominions, the suggested council being advisory of the British government alone. But on the voyage to Britain Sir Joseph Ward and his able colleague, Dr. (afterwards Sir John) Findlay, deeply impressed with the international outlook, and with the professional plea for naval centralisation, decided upon the bolder course of proposing to create a regular federal parliament and federal executive for the Empire. The particular plan expounded by Sir Joseph Ward represents the best attempt hitherto made at reconciling the national instinct of the larger Dominions with a federal scheme of imperial government. In a later chapter it is examined more fully. At the Conference it met with no support. The larger Dominions were naturally adverse to it; while the British Prime Minister (Mr. Asquith) ridiculed the idea of equal representation of States in the proposed federal Senate, and bluntly declared that the control of foreign policy could not be shared with the Dominions. Thus, by a strange conjunction, the normal antagonists, British Ascendancy and Britannic Equality, were ranged together in opposition to a proposal which threatened the present for the one and the future for the other.

THE COUP D'ETAT OF 1911-12

At the same session (1911) British Ascendancy contrived to checkmate the move registered by Britannic Equality in Resolution I. of 1907, which had settled the constitution of the Imperial Conference. To understand the episode we must go back a little way. Ever since the original meeting in 1887, when the Foreign Secretary (Lord Salisbury) gave a confidential address on the international situation, the Conference had assumed the right of discussing foreign affairs. But in 1907 the British Prime Minister (Sir Henry Campbell-Bannerman) in his opening address laid down a definite rule :—"the cost of naval defence and the responsibility for the conduct of foreign policy hang together." Clearly, in the British official view, none of the Dominions was yet paying enough money to the British Admiralty to justify the claim to any voice in foreign policy. Despite this warning to the Dominions, the administration of the imperial government was incisively criticised in relation to the New Hebrides convention and the Newfoundland Fisheries dispute—two matters which had been badly bungled. Soon afterwards the international agreement known as the Declaration of London was provisionally accepted by the British government. In accordance with the officially-stated rule, the Dominions had not been consulted in the negotiations. Thereupon the Australian government gave notice of a motion, for the agenda of the next Imperial Conference, complaining of the neglect and affirming that the

Dominions ought to be consulted in such matters. The prospect of their policy being arraigned again, as it had been in 1907, with the possibility of the question being pressed to a division and an adverse vote, seems to have inspired the British authorities with the idea of subtly removing the subject of foreign affairs from the future purview of the Conference and transferring it to another kind of Britannic council where British ascendancy would be safe. At any rate, when in the spring of 1911 the suggestion was made in the House of Commons that the coming Imperial Conference should be utilised for confidentially acquainting the Dominion ministers with the nature of the situation abroad and the British policy, the Colonial Secretary replied that this would be done at special meetings of the *Committee of Imperial Defence*. He did not explain, and it remains unexplained why the Defence Committee should be used for a purpose which was outside its regular scope, and which had hitherto been fulfilled, as occasion arose, by the Imperial Conference. The reasons indirectly indicated by ministers were (1) that secrecy was necessary; (2) that the presence of the naval and military experts would be desirable; (3) that the "precedent of 1909" would be followed. But none of these reasons can bear examination. Secrecy (in connection with unfinished questions of foreign policy) and the assistance of the imperial experts at discussions of defence, had always been part of the regular practice of the Imperial Conference itself. As to the "precedent of 1909," the naval confer-

ence of that year was regularly summoned and officially described¹ as a Subsidiary Conference, held under the Resolution of 1907. To refer, two years later, to that conference as a meeting of the Defence Committee was palpably an after-thought. When a far-reaching change is made, and the reasons alleged for it are found to be unreal, investigation is prompted.

THE COMMITTEE OF IMPERIAL DEFENCE

The Committee was created, practically, about ten years ago, for the purposes of (1) co-ordinating naval and military policy, (2) advising on technical questions of Defence at the request of the British or any Dominion government; (3) bringing British ministers into personal touch with defence experts. It is entirely under the control of the British Prime Minister, who summons meetings when he pleases and invites whom he pleases each time. There is no regular membership. Those who are invited, whether cabinet ministers, departmental officials, naval or military officers, Dominion representatives, or outside experts, all attend on an equal footing. The decision they come to may be cited by the Prime Minister as that of the Committee, but the public are not allowed to know by what procedure any differences of opinion are resolved. While cabinet procedure is a matter of common knowledge the procedure of the Defence Committee has been a jealously guarded State secret. The policy of the present government has in no instance, according to Sir Edward Grey, been at variance with "the

¹ *Cd.* 4948, p. 18.

resolution previously come to by the Committee," even if it is decided one week to evacuate the Mediterranean and the next week to reoccupy it. Having regard to all the circumstances of the Committee, the converse might equally well be true, *i.e.* that the resolution of the Committee never differs from the policy of the government. To British constitutionalism the Committee is a monstrosity, inasmuch as non-ministers share the responsibility of ministers, and the mode of procedure is a State secret. But clearly it is an engine of enormous potential force in the hands of the British Prime Minister, who so completely controls it.

In relation to the Britannic question in 1911 the most important feature of the Defence Committee was that, unlike the Imperial Conference, it represented the conception of the Empire as a centralised State, with the British cabinet as the imperial executive. The Committee, including the Dominion ministers, whenever any of them were invited to attend, was advisory of the British Prime Minister, the head of the imperial government. Each and all of the members had the status of a personal adviser of the British Prime Minister, never that of a representative of an external government. If any members of the Committee were at any time dissentient, they could not prevent the policy from which they had dissented being defended publicly by British ministers as having the Committee's weighty sanction. Nor could they make public the fact of their having dissented, without breach of confidence. On the contrary, if they were

ministers in charge of any executive department they would be held obliged to carry out the Committee's resolution so far as their particular departments might be concerned.

Let us illustrate what this change seemed to mean by a real example. At the Imperial Conference of 1911 it was too late for the British government to prevent discussion of the Declaration of London when once the Australian resolution had been formally sent in. Accordingly the British ministers were constrained to make every effort to obtain a favourable judgment from the independent governments, and when they found that they were succeeding they themselves insisted on the question being put to the vote, so as to be able to parade the formal verdict of the Conference before the British parliament and electorate. But at the Defence Committee, to which in future all questions of that nature were intended to be referred, there would be no need for the British government to worry about divisions, because in any case the British Prime Minister could arrange to have the verdict he desired. The fact that the Australian ministers had declined to endorse the British policy would not be publicly known, still less would their reasons be publicly reported. Yet the resolution of the Committee would be used as a means of reconciling public opinion throughout the Empire to the British government's decision. As matters stood in the summer of 1911, after the Declaration had been before the Imperial Conference, the known dissent of the Australian government, and their published reasons, probably

influenced the refusal of the House of Lords to ratify the Naval Prize Bill, without which the Declaration remained uneffectual. But all this would have been suppressed under the procedure of the Defence Committee, and the Australian government would have been constrained to figure as a willing party to the measure. Thus the new extension of the Committee's purview, from the technical questions of defence to the general subject of foreign policy looked indeed like a master-stroke of British Ascendancy. In 1911, for the first time in fifteen years, not only foreign policy, but also the general subject of defence, were practically excluded from the purview of the Conference.

But in 1911 the British ministers were not alone in holding that foreign policy was a subject not suitable for consultation and should therefore be excluded from the Imperial Conference. As he told the Conference, Sir Wilfrid Laurier did not desire that the British government should consult the Canadian government except in matters particularly affecting the Dominion. In his view, apparently, there was no vital connection between the general foreign policy of Britain and that of Canada. The Canadian government intended to shape their own foreign relations in their own way, steadily avoiding the "vortex of European militarism." Sir Wilfrid Laurier, therefore, might readily agree that, if the importunity of British imperialists had to be satisfied, the Committee of Imperial Defence would be a more appropriate venue than the Imperial Conference for an exposition of Britain's foreign policy. The Canadian ministers,

he might reflect, could not in actual practice be committed to anything. Asking no advice, they would tender none. As an act of courtesy they would listen ; but that was all. Britain's foreign policy was no business of theirs.

Thus the transfer of foreign affairs as a subject of discussion from the Imperial Conference to the Defence Committee was probably regarded by the two leading governments as signifying the principle that in general British foreign policy was a matter to be decided by the British government alone, without consulting the Dominions at all. But some of the other governments did not at the time seem to realise the position. Their ministers joined with the newspapers in heralding the new departure in ecstatic language as the inauguration of a real "partnership" in foreign policy. Never was an important incident of Britannic evolution more generally misapprehended by the journalistic leaders of public opinion, whose service allows them no time for trying to remember what has gone before and to co-ordinate it with the events of the present. The misunderstanding was reflected in their endeavour to link the Defence Committee meetings with the system of general imperial consultation by describing them as "joint sittings" of the Imperial Conference with the Defence Committee. The official reports are sufficiently decisive against that theory. The published Proceedings of the Imperial Conference, issued from the Colonial Office, contain no record of these "joint sittings" having taken place. Nor is there any mention of them at all in the annual report of the Dominions Department,

a paper which purports to notice all that happens within the twelve months, of importance to the Britannic relationship, and which for the year in question (1911) accordingly devotes considerable space to the events of the Imperial Conference. This significant silence seems to support the view here taken, that the choice of the Defence Committee as the venue for a statement on foreign affairs, so far from being intended to initiate any kind of "partnership," was an expedient intended actually to avert that development, consistently with satisfying the demand of the House of Commons that the Dominion governments should be admitted to the mysteries of British foreign policy. It was, in effect, an attempt to nip in the bud the development begun in 1907-1911 when the Imperial Conference had asserted, more definitely than before, its right of reviewing and being consulted in the foreign policy of the imperial government.

The situation illustrated one result of having allowed the secretariat of the Imperial Conference to be absorbed in the Colonial Office. There is no reason to suppose that any of the Dominion governments had independent information of the proposed change, or the arguments for and against, such as might have been furnished by its own nominee in a Britannic secretariat. Being part of the Colonial Office the existing secretariat could not really be sympathetic to the independent interests of the institution, the Imperial Conference, which it was supposed to be serving.

"INFORMATION," NOT CONSULTATION

In his subsequent references¹ to the special meetings of the Defence Committee in 1911, and to the similar meetings which were held for Mr. Borden's benefit a year later, the British Prime Minister (Mr. Asquith) was punctiliously correct. He explained that there had been "information" given at these meetings as to Britain's foreign policy, and "discussion" with the Dominion ministers as to technical matters of defence. He never said that there had been "discussion," or "consultation" on foreign affairs, or anything else to signify any modification of the principle laid down by himself at the Conference of 1911 and by his predecessor in 1907.² In 1911 the only concession in that regard was promised by the Foreign Secretary, who undertook that henceforth the Dominions would be consulted in matters which immediately affected their interests. There was no promise of future consultation as to the general lines of imperial policy. Accordingly meetings of the Defence Committee continued to be held without any invitation being extended to those Dominion ministers who happened from time to time to be in London. A notable example occurred in June, 1912, when Mr. Borden came over in order to consult about naval affairs. During the very hours in which the Canadian Prime Minister was travelling

¹ House of Commons. July 25th, 1912.

² The Parliamentary Paper, *Cd.* 6560, carefully preserves the same distinction between "information" and "consultation."

from Bristol to London, an important meeting of the Defence Committee, which had been summoned to consider (it was said) the naval situation in the Mediterranean, was hurried to a conclusion. The naval policy of the Empire had to be determined, it would seem, in advance of the Canadian Premier's arrival, so that he might be "informed" of a situation in making which he had not been consulted. Such was the actuality of the "partnership" which had been hailed with delirious enthusiasm only twelve months before.

BACK TO THE IMPERIAL CONFERENCE

But the striking events in Canada which resulted in Sir Wilfrid Laurier's defeat and Mr. Borden's accession to office (September, 1911) presently did compel the British government to modify its refusal of a more general consultation in regard to foreign policy. The new government in Canada, repudiating Sir Wilfrid Laurier's attitude, did desire that Canada's foreign policy should be one with Britain's. The purpose of Mr. Borden's visit to England was not merely to obtain information about naval matters, but also to elicit from the British government some definite understanding as to the future representation of Canada in imperial councils. That was to be an indispensable condition of the gift of battleships, which the Dominion government desired to make as an "emergency" contribution. In an important statement to the House of Commons the British Prime Minister hinted that the Defence Committee might become the organ of consultation, and a few months later the Colonial

Secretary took occasion to repeat the suggestion. Meanwhile the proposal was being vigorously urged by *The Times*, and was being supported with the old arguments against the Australian policy of Dominion navies.¹ This coupling of the doctrine of naval centralisation with the proposal to utilise the Defence Committee as the joint organ of foreign policy was perfectly logical. On the Defence Committee the Dominion ministers or their representatives would be present simply as advisers of the British Prime Minister, the single executive head of the Empire. Therefore it would be anomalous, and ultimately impracticable, for them to have the executive control of any part of the Empire's naval forces. For example, British foreign policy might require the Australian fleet unit to proceed to the Mediterranean, to which the Australian advisers of the British government might object. But on the constitutional principle of the existing Defence Committee, the British government might disregard that objection and order the Australian navy to proceed. Obviously, therefore, the system of the Defence Committee would require that the control of all the naval forces of the Empire should always be centralised, and the Australian naval policy would have to be abandoned. Accordingly, it was not surprising when the Commonwealth Prime Minister, publicly commenting on the British suggestion, intimated that a preferable solution might be more frequent meetings of the Imperial Conference. In contrast to the Defence Committee, the constitutional principle of the

¹ e.g., August 27, 1912.

Imperial Conference is that of co-ordinate national governments, not that of a single imperial government; and the system of Dominion navies, remaining under Dominion control until transferred in some emergency to the senior Admiralty, is logically the naval expression of it.

One suggestion was that the Defence Committee should be recognised by the Imperial Conference as its own standing committee on foreign affairs and defence. That solution would quite satisfy the principle of Britannic equality. If the Defence Committee became a committee of the Imperial Conference, it would necessarily conform to the constitutional principle of that body. That is to say, the Dominion ministers would attend, not as advisers of the British government, but as the executive heads of independent governments, free to carry out or not to carry out the resolutions declared by the president of the Conference, the British Prime Minister. In order to regularise the new position the Imperial Conference would require to supplement Resolution II. of 1907, which defined the Defence Committee as a body of defence experts advisory to the governments, with a further resolution defining it in its other form, as the standing committee of responsible ministers for concerting policies. The anomaly of having advisory experts and responsible ministers equalised in the Defence Committee has often been noticed with disapproval, and requires to be remedied by separating the two functions.

But early in January, 1913, the British govern-

ment published its reply¹ to Mr. Borden's request for a voice in the determination of the Empire's foreign policy and system of defence. The substance of the reply was a twofold offer. (1) As to technical questions of defence, whenever the Committee of Imperial Defence was dealing with matters affecting a Dominion, a representative of that Dominion would be summoned by the Prime Minister to sit with the Committee, should the Dominion have nominated a resident "representative" for that purpose. (2) As to foreign policy generally, any resident *Minister* appointed by a Dominion government would have at all times free and full access to the Prime Minister, Foreign Secretary and Colonial Secretary. The effect of this offer seemed to be that the Committee of Imperial Defence would be restored to its original function, so far as the Dominions were concerned, as first defined by Resolution II. of the Imperial Conference in 1907, and now logically extended; while policy was reserved for consultation between responsible ministers as such, in accordance with the modern conception of the Imperial Conference and with the principle of Britannic Alliance. If the immediate settlement is to be on those lines, as the dispatch seemed to indicate, the *coup d'état* is already reversed, and the reaction has spent its force. The committee might be the standing committee of the Imperial Conference for defence, postponing the creation of a standing committee for foreign affairs, though the tendency might still be for the body in its new form to serve the double purpose.

¹ Parliamentary paper, *Cd.* 6560, January, 1913.

THE ORGANISATION OF ALLIANCE

Should Britannic Equality finally win in the crucial context of foreign policy and defence, the constitutional development of the Empire would at last have been fairly launched on a definite course. At the apex would be the Imperial Conference, with its general secretary and offices, concerned mainly with the regular, quadrennial sessions, when the Britannic relationship as a whole comes under review. In between the sessions the detailed work of the Conference, *i.e.* of promoting the joint interests of the governments in alliance, would be managed by a number of standing committees of the Conference, among which the Defence Committee would be very important. Judging by the example of the Defence Committee, each of these standing committees would be served by a separate, specialised secretariat, directed by the chairman of the particular committee in behalf of the Conference. Just when the proposal was being mooted of turning the Committee of Imperial Defence into a standing committee of the Imperial Conference, the Royal Commission on empire trade was receiving a proposal to form another and similar standing committee for the purpose of developing and controlling the maritime communications of the Empire by ship and telegraph.¹

A PLEA FOR CANDOUR

The long struggle between British Ascendancy and Britannic Equality has now been traced from

¹ *cf.* pp. 165-166.

the earliest times to the present day. The later part of the story has been relatively protracted owing to the necessity of removing the mask of official concealment from that episode of 1911 which has been described as the *coup d'état*. This chapter may conclude with a protest against the policy of trying to guide the course of Britannic evolution by subterfuge, or departmental manipulation. The intelligent citizens of the Britannic States desire to know and understand the difficulties of their imperial problem, instead of being treated like children who must not be told too much or often the truth. It is a well-known and perfectly tenable position that Britannic Alliance, the product of the Imperial Conference, is an impracticable ideal, bound to break down the moment any attempt is made to apply it in the domain of foreign policy; and that, therefore, centralised control of foreign affairs and defence must be secured at all costs. If such were the official view of the British government in 1911 they ought to have said so; and to have justified on that excellent ground their decision to supplant the Imperial Conference by the Defence Committee. Instead of that, they took advantage of the prevailing ignorance about the past history of the Imperial Conference to slur over the fact that a vitally important change was being made. The true character of that change was further obscured by the refusal of the government ¹ to disclose to the public the procedure of the Defence Committee, particularly its mode of arriving at resolutions or decisions. The Britannic peoples have not been

¹ In answer to an inquiry made by a member of parliament,

used, and will not easily become used, to being governed by secret procedures. In relation to their parliaments, cabinets, and Imperial Conference, they know the methods by which differences of opinion are overcome and what constitutional consequences follow. Whatever new institutions of government may be evolved to meet the Britannic need, their constitutional process cannot be withheld from public knowledge without inviting disaster. Peoples inheriting the British tradition are willing to be governed so long as they know how it is being done. They can recognise that secret decisions of policy must often be necessary. But secret *methods* of decision can never live with British liberty.

P.S.—On March 26th, 1913, Mr. Churchill, introducing the Naval Estimates in the House of Commons, announced the Admiralty's new project of a Gibraltar squadron to be formed of ships contributed by the Dominions. At that time Mr. James Allen, the Minister of Defence in the Government of New Zealand, had been in London for two or three months, in connection with defence policy. Yet he was not consulted beforehand about the Gibraltar scheme; as is apparent from his remarks to an interviewer immediately afterwards. Also, Mr. Churchill said that the Dominions would be consulted as to the movements of the Gibraltar squadron except when those movements were governed by "military" considerations—a qualification which seems to be tantamount to denying the Dominions any real voice in regard to imperial policy. For example, such a squadron could have been ordered to effect the present blockade of the Montenegro coast without consulting the Dominions.

CHAPTER II

THE PHILOSOPHICAL ASPECT

CONSERVATISM v. LIBERALISM

LIBERALISM and Conservatism are terms used to denote different, and occasionally conflicting, tendencies of the human mind in relation to political thought. In general, Liberalism is impressed with the natural tendency of mankind to go right and Conservatism with its natural tendency to go wrong. Liberalism has faith in the genius of the people, given free play; while Conservatism relies on the power of authority, backed by force, to secure the well-being of the community. The phrase "well-being" itself suggests another aspect of the same difference. To a Liberal mind well-being implies continuous social improvement; therefore a popular desire for improvement; and so dissatisfaction with existing conditions need not be an unhealthy symptom. "Divine discontent" is a characteristically Liberal conception. To a Conservative mind, on the other hand, well-being implies a state of rest and contentment, so that widespread "unrest" in the body politic must be a sign of disease. Not "divine discontent" but "do your duty in that state of life in which you are placed," is the precept of Conservatism, applicable

alike to persons and to communities, to world-Power and to Colony. While Liberalism would be concerned with devising the "next step" forward in a progressive scheme of communal life, Conservatism would contemplate the redress of ascertained grievances to the end that the people might settle down again and live happily ever after. In this way Conservatism and Liberalism may sometimes co-operate for a time in the cause of reform.

It is possible, though not easy, to translate those different temperaments into principles of statecraft, by which is meant the art of creating and maintaining political communities. Liberalism is commonly said to stand for "liberty," and Conservatism for "law and order." Formerly English Liberalism sought to confer liberty on the people by giving them votes and "education." But nowadays experience has proved the insufficiency of that policy. Freedom of thought, which is the moral essence of liberty, implies leisure for thinking and freedom of expressing thoughts; and this in turn implies economic freedom, in the sense that a person should at least feel secure in the enjoyment of a "living wage."¹ Thus liberty, in the contemporary view of English Liberalism, becomes a matter, ultimately, of economic adjustment. Its subsidiary demands are, as ever, the rights of self-

¹ Whether this liberty can ever be secured except through the agency of private property is a question which does not affect the validity of the above statement. I think there is more than a grain of truth in Mr. Belloc's thesis that the present tendency of Liberal legislation in Britain is to establish what he aptly terms the Servile State. (See *The Servile State*, by H. Belloc, 1912.)

government, *i.e.* the opportunity of taking part in political affairs on equal terms, and whatever else may serve to enlarge the opportunities of individual self-development, whether for the individual citizen or for the individual community. Hence Liberalism, seeking to bring about "equality of opportunity" in a country where the economic class division has become exceptionally pronounced, is nowadays active in legislation. "Law and order," on the other hand, is a matter primarily of administration, of applying the existing statutes firmly and impartially, rather than of expanding the area of administration through further legislative interference. When the country "wants a rest" it elects the Conservative party to office. The orderly government of India and the tropical Dependencies has been the typical contribution of England's Conservatism to civilisation, and remains the admiration of the world.

PARTIES DIVORCED FROM PRINCIPLES

It is to be expected that this broad cleavage of temperaments or principles, which so often underlies the political controversies of the Britannic democracies, should appear also in their attitude towards the Britannic question. To recognise its influence, and to trace the logical application of the different impulses, will assist the attempt to understand how the present situation has arisen and what is involved in particular proposals of closer Britannic union. But the investigation must be mainly abstract, because Liberalism and Conservatism cannot be closely identified in practice

with the political parties which in various parts of the Empire are called Liberal and Conservative. The apparent divorce of parties from principles in actual politics may be attributed to several circumstances. To begin with, the human temperament in individuals is not a stable quality. Most people are susceptible to both the Liberal and the Conservative impulses. They are dominated for the time being by the one or the other according to their material interests or to changes of environment. Confronted with some spectacle of human degradation they may succumb to Liberalism ; if the State is threatened with anarchy Conservatism supervenes. This natural instability of temperament would by itself suffice to prevent either of the two historic parties from consistently expressing in its policy the Conservative or the Liberal impulse. But a number of subsidiary factors are also at work. " Coalitions " are formed, which necessitate compromise. Again, in party politics a cry is more important than a principle. Cries, not principles, are thought to get votes ; and with a little ingenuity, which is never wanting, any good cry can be adjusted to either Liberalism or Conservatism with sufficient plausibility for electoral purposes.

Restrictions on the choice of a party policy are imposed, not by party principles, which are always sufficiently elastic, but by extraneous forces. The fear of being charged with inconsistency is, for example, a constant deterrent ; and is especially hampering to Liberalism, which implies a readiness to meet new conditions with new policies. But nowadays the most effective of all restrictions, in

Britain at any rate, is the party machine, the apex of that elaborate and costly organisation of politics which is the modern achievement of the party system. In Britain the whole system depends nowadays on the Conservative and Liberal machines. Its lifeblood is the secret party funds, which are carefully guarded against any attempt to enact publicity. Thus the ultimate arbiters of party policy may sometimes be unknown personages who, behind the scenes, contribute not only largely but regularly to one or other war-chest, and the withdrawal of whose support would cripple the operations of the machine. Exaggerated importance may easily be attached to the power of those whose temporary payments are merely the purchase money, paid in advance, for a title—a peerage, baronetcy or knighthood—though plutocratic snobbery is not likely to be a jealous custodian of political honour. More permanent potentates would be others, whose large subscriptions are not meant for that kind of reward, but are prompted by a desire to have a real influence in regard to questions affecting financial or commercial interests. “Who pays the piper calls the tune” is an axiom which, in proportion as party organisation becomes more expensive, must have an increasing application to the determination of party policies.

TARIFF REFORM AN ILLUSTRATION

The whole position may be illustrated by a single example. Nine years ago Tariff Reform was launched by a radical, Mr. Chamberlain, who happened to have quarrelled with his party on

another issue and had consequently made a coalition with the Conservatives. He argued the case for Tariff Reform from the Liberal standpoint which was natural to him, albeit handicapped by the free-trade tradition of the Liberal party as well as by the unnatural alliance which he had contracted with the Conservatives. He represented his policy as a means of enlarging for the mass of the people those economic opportunities which it is the first duty of a State to provide, and which are really the foundation of liberty. Free Trade had been welcomed fifty years earlier as a good servant of liberty, but now times had changed, and the same fiscal system had become an agent of economic slavery. It is instructive to note how the campaign developed. Since Mr. Chamberlain had been the strongest member of the sitting government, and remained its strongest buttress even after he had resigned, the Liberal opposition was constrained to attack his new policy, regardless of whether in principle it were Liberal or not. His proposal, moreover, suggested a historic cry, the "little loaf," which no party manager could dream of declining. Whether modern economic science, or modern fiscal experience, would justify that cry was a question of no moment. Given the cry, a plausible justification could be provided to order.

Meanwhile the Unionist party was torn with dissension over the Chamberlain policy. After a career of fifty years, coinciding with a remarkable growth of foreign trade, and of private wealth in the upper and middle classes of society, Free Trade had fairly established its position among the

institutions of the country, and thus had a *prima facie* claim on Conservative support. Among real Conservatives only those who were acutely conscious of what the decline of agriculture must ultimately mean to the nation were predisposed to any revival of protectionism, and they were too often blind to the concurrent necessity of other kinds of agricultural or agrarian reform. For the rest, the proposed "food duties" could only dismay the landowning aristocracy, the traditional mainstay of the Conservative party, who had come to fear—as Mr. Chamberlain the radical had once warned them—that they held their position on sufferance, and who, therefore, resented the opportunity wantonly given to their opponents of depicting them as cruel exploiters of the poor, which they never were. At the older universities, whose sons still predominated in parliament, the failure of insular free trade to bring real prosperity to the industrial masses, and the comparative success of Protection in certain other countries, had alike been disregarded by the teachers of political economy; and the cult of Free Trade seemed to be established for all time. The notion that there was something wicked about unabashed Protection, and something angelic about national selfishness in the cloak of Free Trade, was sufficiently widespread to attract the wonder of visitors from overseas. All this was against the prospect of making the Conservative party the political instrument of Tariff Reform, which was essentially a Liberal policy. Yet the party, after the debacle of 1906, sorely needed votes; and with all its drawbacks Tariff Reform was the only

semblance of a popular cry which the party managers could offer to a proletariat acutely conscious of the tightening fetters of economic slavery.

To complete the illustration, Tariff Reform was objectionable to certain vested interests of finance and commerce, which among them had practical control of both of the party machines. A complete understanding of the vacillations of the Unionist party on Tariff Reform would have to take account of the financial working of the machine as well as the more patent factors indicated above. From this part of the history the veil probably will never be lifted ; but outward appearances have provoked conjecture. Supposing the Tariff Reformers were right in their theory that the ultimate incidence of the "food duties" would be on the "foreign producer," had that victim-designate no friends in England? Cosmopolitan finance, already admitted to the governing class on both sides of politics, was busily and profitably engaged in the development of such foreign countries as the United States and South America. To reduce even by a fraction the local value of the crops in those countries would be to depreciate temporarily the value of the land, and to impair the security of those who were financing the foreign producer and furnishing him with transport services, and would thus impede the unloading of bonds and stocks on to the British investor. Usually aloof from public politics, and commonly described as a soulless entity, cosmopolitan finance took the field against Tariff Reform, declaiming in behalf of the poor man's loaf, and did not desist until the Lloyd-Georgian taxes began

to suggest that the fire might be a worse place than the frying-pan. Wealthy interests, again, controlling the chocolate and chemical trades, were enjoying under the existing fiscal system peculiar advantages, incompatible perhaps with the free-trade idea, but none the less lucrative; and they were presently found to have acquired control of the best part of the Liberal press. As to manufacturers generally, the same rule applied. The interests of the corporation were instinctively regarded as the interests of the country. While many supported the proposal of Protection, others were repelled by a policy which openly proclaimed its expectation of raising the level of wages by intensifying the competition for labour. Not a scarcity of hands, but labour plentiful and therefore cheap, "on tap" at State-provided labour exchanges, was a conception more congenial to the ordinary type of industrial employer who had grown up under Free Trade.

Thus from the outset Tariff Reform, seeking to revolutionise an established order of things, intellectual and material, was morally in a false position as a Conservative policy, and was, moreover, objectionable to certain interests which were commonly thought to be powerful in the hidden working of the party machine. Yet it could never have become the policy of the Liberal party without alienating to an even greater extent the financial magnates on that side. Meanwhile Labour, convinced that in economic questions the guiding principle of the two "capitalist" parties was "our pocket our politics," became impelled to seek

in Syndicalism a like political motive and a counter political weapon. Clearly the analysis of Liberalism and Conservatism in relation to the Britannic question must proceed independently of party positions which are so largely determined by factors theoretically irrelevant to the issue.

LIBERALISM IN THE DOMINIONS

Within the Britannic democracies Conservatism has flourished best in Britain and Liberalism in Australasia, for reasons which are easily discovered. The conditions of life in the new countries, especially the necessity of quick and constant adaptation to novel circumstances, have not tended to foster a Conservative temperament, but have tended to produce a democratic form of society imbued with that idea of initial and ultimate equality between man and man which inspires the genuine Liberalism. To this extent the atmosphere of the Dominions is naturally liberal. It is found to permeate the new population, whether born in the country or introduced from other lands. So strong has been this natural tendency in Canada, the oldest Dominion, that when one party called itself Liberal, the other party called itself Liberal-Conservative—not Conservative merely, which might have seemed to taint it with the exotic spirit of old-world Conservatism.

Nevertheless, in Canada, and also in South Africa, there has always existed one peculiar condition which is favourable to Conservatism. The inclusion of a non-British race, French or Dutch, not readily amenable to British or Britannic ideas, has

served to quicken a feeling that the integrity of the State may some day have to depend on the coercive power of central authority. Immune from the weakness of bi-racialism, Australia and New Zealand, on the other hand, have been able to give free play to the Liberal impulse which is natural to them, and which has long been apparent in their domestic politics. The local union of the colonies into nation-States took the form in Canada of a tight federation. In Australia the Commonwealth was constructed on the opposite plan : the States surrendering only specified powers, and the federal government being given no general power of vetoing the action of a State government. In South Africa, where the native population is a constant source of apprehension, unification was carried to an extreme, practically all the governing power being transferred from the four Colonies to the Union. Generally speaking it may be said that in each part of the Empire the local tendency towards Liberalism or Conservatism is determined by environment rather than by intellectual preference, and that the environment most congenial to Conservatism is a constant fear of internal uprisings or external attack. It is a commonplace of political observation that when the situation is threatening there is a call for Conservative rather than Liberal administration.

CONSERVATIVE IMPERIALISM

Let us trace in the abstract the alternative solutions of the Britannic question which Conservatism and Liberalism might be expected to proffer.

Conservatism would not need to debate the prior question of whether the Empire is really worth preserving. The Empire is there; a trust to be fulfilled, a heritage to be handed on. It seems true that "we must either draw closer together or drift apart," because the growth of foreign armaments is clearly rendering it impossible for Britain single-handed to continue guaranteeing the safety of the Empire. Convinced that something must be done, Conservatism would mark as the essential need the creation of a central authority equipped with power not only to repel aggression but also to maintain Britannic law and order, *i.e.*, to repress inter-State disturbances or any attempt at secession. Otherwise what could you do, supposing some foolish colony, thinking it knew better than the wise men in England, embarked on some adventure which might plunge the Empire into war? Lacking any instinctive or sincere confidence in the genius of the people, Conservatism would find the key to the whole problem in centralised authority, particularly as to the naval and military forces of the Empire. Get the fighting power centralised, and then you will have clipped the wings of the colonies and there could remain no real danger of a Laurier or Botha or desperate White-Australian asserting independence.

LIBERAL IMPERIALISM

Likewise would Liberalism approach the question from its own standpoint. Is Britannic unity worth striving for at all? Yes, if it can be made a means of liberty, which nowadays, in Britain at least, is

a question of how to enlarge the economic opportunities of the people. If Britannic union could assist the emancipation of the unpropertied classes, no effort should be spared to bring it about. As to the method, the main principle is obvious. Under democracy, which idealises government by consent and not by compulsion, the real bond of union between the units, whether citizens or whole communities, consists in their common belief that they are helping each other to live—a conception far wider than that of union for defence alone. So far as centralised authority may be necessary for helping each other to live, let us centralise. But if we can equally achieve the main purpose while leaving unimpaired the existing autonomy of Britain and each Dominion—a system which has proved so favourable to the quest of liberty overseas—then let us do so, because every centralisation of government must tend in itself to hamper individual development. The appropriate statecraft would consist primarily in joint measures for reinforcing the social policies in which the democracies are severally engaged, by utilising every available form of economic co-operation between them. Mutual preference, therefore, would permeate the Liberal policy of Britannic union, teaching the units to feel that they were helping each other to live by reciprocities peculiar to the Empire and dependent on the Empire. For democracies “organic” union is a question of conscious social interdependence, not of constitutional mechanism or of military compulsion.

DIFFICULTIES OF ENGLISH LIBERALISM

The view deduced from the temperament and principle of Liberalism is found, in point of fact, to have regularly characterised the attitude of the Dominions towards the Britannic question, because their atmosphere is naturally Liberal. It is less easy to predicate Liberal and Conservative imperialism of the corresponding parties in Britain, owing to the confusing conditions which have been noted; though the respective instincts can be traced in much that is said and written on either side. Fifty years ago Liberalism was faithfully expressed in the policy which assumed that the peaceful dissolution of the Empire would serve the cause of liberty, and which sought to approach that goal by the stages of colonial self-government. But when, with changing conditions and the palpable failure of Free Trade to confer freedom on the people of England, Liberalism began to perceive that Britannic union might be the greatest agency of liberty, it found the Liberal party incapable of action. Not only trade reciprocity, but even the auxiliary expedients, especially the improvement of communications by ship and telegraph, were inhibited by ancient tradition, the fear of inconsistency, political charlatanism, or the veto of the party's financial magnates.

"OUR COLONIES"

Even had the Liberal party in Britain been able to escape the pitfall of 1903, its trusteeship of Liberalism would still have been embarrassed, in

any Britannic policy, by a peculiar influence not easy to overcome. A century of empire-getting and empire-ruling could scarcely have failed to imbue the British at home with a complacent sense of possession in the oversea territories of the Crown, and of suzerainty, at least, over the populations thereof. In British eyes the people of the self-governing colonies—free tenants of England's territory, but still subjected to a suzerain in international affairs—acquired an inferior or "colonial" status, carrying with it the moral obligation of humble and grateful "loyalty." This habit of mind became too deeply rooted in the British governing class, both Whig and Tory, to be easily cast out even by a real effort of will. Intellectually any fairly intelligent English politician might readily be convinced that the old attitude was obsolete, and that the true perspective of the Britannic problem could only be obtained by assuming the standpoint of the nationalist impulse which dominated each of the larger Dominions. But an innate habit of mind does not easily yield to intellectual conversion. *Naturam expellas furca, tamen usque recurret.* Nature constantly reasserts herself in the familiar phrase "*our colonies*"—not colonies merely, but colonies the appanage of Britain—which is still (despite the reluctant official reform of 1907) the ordinary way in Britain of referring to the Dominions. "*Our Colonies*" betrays a mind which has not acquired—and in some cases can never acquire—the modern perspective. The expression marks its user as mentally disqualified for Britannic statesmanship.

Tried by this simple but sufficient test, the present British cabinet (Liberal) has been found to yield not a single member with the modern outlook. One need search no further for an explanation of a number of recent incidents which would otherwise be difficult to associate with a Liberal administration of the Colonial Office, especially the successive attempts to repress the development of the Imperial Conference and to preserve British ascendancy. Had Conservatism been in office, the same things might have happened as a matter of course. No doubt it would be unjust, as well as futile, to blame politicians for a habit of mind which has been the natural product of their age, and which many of them cannot now be expected to change. But, since the habit is transmissible to political successors, the fact of its existence should be noted as a present and continuing—though happily diminishing—impediment to the closer union of the Empire, and especially to that solution, Britannic Alliance, which Liberalism would suggest.

PARTY PHILOSOPHERS

In times of internal dissension political parties are apt to throw up philosophers who essay to prove, for the benefit of doubters, that the official policy is true to the historic principles. In Britain Liberalism has lately yielded two such exponents.¹ But, the main dissension having been provoked by Mr. Lloyd George's socialistic measures, these philosophers have not been inspired to deal

¹ L. T. Hobhouse's *Liberalism*. J. M. Robertson's *The Meaning of Liberalism*.

thoroughly with the Britannic question. In that direction a more serious attempt has been made by Mr. J. A. Spender,¹ the editor of the *Westminster Gazette* and an able expositor of Liberal thought. Recent developments in Morocco and Persia having illustrated the drawbacks, from a Liberal standpoint, of a British foreign policy being based on the European balance of power, Mr. Spender is concerned to defend the government against Liberal critics. The plain desire of the Dominions to assist the safety of the Empire impels him to justify in that regard also the ministerial policy—a policy which, so far, had begun and ended with offering to respect the independence of the Dominions in return for their equal recognition of Britain's liberty of action. Since autonomy is clearly not in itself a principle of inter-State cohesion, and being debarred by party commitments from invoking the constructive principle of mutual aid in living, which belongs to Liberalism, Mr. Spender is constrained to postulate that the integrity of composite modern States is guaranteed simply by the pressure of external dangers.² Germany, for example, is to be regarded as a collection of communities bound together by common fear of their foreign neighbours, not welded into one nation by any system or ideal of reciprocal help in making the best of life's opportunities. If fear is indeed the mainspring of integration and the safeguard of union, how, one must ask, is the conclusion to be avoided that, since fear is a spasmodic thing,

¹ In a pamphlet, *The Foundations of British Policy*.

² *Ibid.*, ch. VII., "The Cement of Empire."

no union can be secure unless and until it evolves an armed sovereignty to preserve it internally against the dangers of peace? That would be the answer of Conservatism, and Mr. Spender of course cannot accept it. Yet, on his own showing, the release of international tension ought to be expected with dismay as the ill-omened harbinger of national dissolutions. To such straits has the philosophy of Liberalism been reduced in Britain as the penalty of reckless haste in seizing a party cry.

THE LOSS TO LIBERALISM

Among the Britannic States the mother country, with her distinctive "leisured" class and more generous opportunities of study and travel, has always been the home of the political philosophies which from time to time have affected the current of affairs. Australasian statesmen, for example, confronted with practical questions and knowing the feelings of their people, may adopt policies which do not seem to fit in with any recognised theory of the State. But sooner or later those instinctive policies are found to represent some definite and rational conception, reflecting their local environment; and this discovery is usually made or given to the world not by anyone in the country itself, but by some sympathetic outsider—an Englishman, American, or even a Frenchman—as much to the enlightenment of the innovators themselves as to the world at large. If, therefore, the practical application of Liberalism to the Britannic problem has been exemplified rather in the Dominions than in Britain, it is none the less to

Britain rather than the Dominions that one would look for a reasoned explanation of the creed, and for regular discussion of its application to questions as they arise. Hence an exceptional loss is apparent when the recognised prophets of Liberalism in England have their eyes and lips sealed by the pressure of party instinct to the responsibility placed upon them by the growing urgency of the Britannic question.

While Conservatism, in relation to Britannic affairs, is being continuously well served in the English press, Liberalism lacks at this day a single exponent. Such a situation can only foster the common impression that Liberalism is unable to evolve a Britannic policy and is therefore obsolescent. Yet it is not certain that even in Britain the national sense would prefer the Conservative solution, despite the consoling prospect of continued ascendancy in the guise of federation, were the possible alternative of a Liberal solution explained and advocated with similar energy. Up to the Colonial Conference of 1902, at the close of the South African war, the Conservative view was, no doubt, beyond challenge in Britain. The old notion of colonial "loyalty" to England, of dutiful acquiescence in British ascendancy, still dominated the public mind, having been strengthened rather than corrected by the spectacle of colonial contingents on British battlefields. But the disappointing results of that Conference compelled many to realise that, for practical purposes, there must be something fundamentally defective in the traditional conception. Thus the ground was favourable in

Britain for a serious attempt at Liberal treatment of the Britannic question in the organs of public discussion. The opportunity for Liberalism was taken ; but not by the Liberal party, which continued hostile or indifferent to the constructive idea. During the next five years or so, some of the leading Conservative journals, in their treatment of Britannic questions, were seen to veer from Conservatism on to the hitherto vacant track which Liberalism might have appropriated for its own. Current questions began to be discussed in terms of partnership rather than ascendancy, of equal alliance rather than either Colonial Dependence or Imperial Federation with Britain paramount.¹ Practice in “ doing things together ”—Lord Milner’s phrase—particularly for the improvement of trade and communications, was presented as transcending the importance of constitutional bonds. Naval alliance was boldly substituted for the time-honoured prescription of colonial contributions and centralised control. Tell-tale “ our colonies ” seemed to be banished by editorial edict. The new and unnatural phenomenon would occasionally be remarked with bewilderment by visitors from the Dominions who, conversant with the Conservative tone of former years, were unable to appraise the new attitude. But the attempt to propagate Liberal views through Conservative agencies—even when it is made in perfect good faith—is not one which, in Britain at least, is likely to afford encouragement to those who undertake it, or which could often carry the seeds of permanence. Healthy reaction presently ensued.

¹ See diagrams at end of volume.

As the German menace grew into a scare, the opportunity came for the Conservative press to revert to nature. While the language of the partnership idea might still be generally retained, the substance of the proposals was no longer Britannic equality but British ascendancy. On this reaction the immediate effect of Mr. Borden's "emergency" naval plan was to set the seal.

THE "ROUND TABLE"

In relation to Britannic politics the intellectual guide of regenerate Conservatism may easily be recognised in the new quarterly, the *Round Table*, which in the first two years of its career has already become indispensable by the virtue of intrinsic merit. The distinctive features of the philosophy have become clear enough. While no definite scheme of union has been advanced, the tone and subject matter of the leading articles are true to the Conservative instinct, with such reserve as may be prompted by an ideal of impartiality or necessitated by the co-operation of Dominion Liberalism.¹ Foreign affairs and the correlative subject, imperial defence, dominate the view, and are consistently treated in such a way as to suggest the notion that the only path of safety lies in centralised control. Constitutional mechanism is discussed with the same bias; the striking development of the Imperial Conference being treated with a scant indifference which seems to betray an instinctive dislike of that typical product and potential instrument of Britannic Alliance. The various

¹ e.g. *Round Table*, Sept., 1912. Australian article.

subjects—other than those already named—which have repeatedly occupied the attention of the Imperial Conference, are naturally neglected, mutual aid in living being non-essential to the Conservative solution. Least of all is any effort made to understand or discuss the policy of Preference, which so far represents the largest embodiment of the Liberal principle. In those pages an “impartial observer” has been able to misrepresent with equal flagrance and innocence the Tariff Reform movement;¹ of which evidently he has omitted to ascertain either the imperial attraction or the economic reasoning, or even the mere electoral fortunes. To him it is no more than an episode of British Politics. Welcome to Conservatives as a splendid champion of Authority, and to Liberal partisans as an imperialist ally against Tariff Reform,² the *Round Table* brilliantly achieves that inter-party equilibrium which is a stronger position for getting things done than independence of political parties. Perhaps its permanent value to the Britannic cause does not reside in its philosophical standpoint, but rather in its service as an agency of Britannic communion, and particularly in stimulating reflection on foreign affairs.

THE STAR OF LIBERALISM

Were they unimpeded by existing party entanglements, Liberalism and Conservatism might be expected to divide Britannic democracy on the line

¹ *Round Table*, Sept., 1912. March, 1913.

² e.g. *Westminster Gazette*, August 29, 1912. *Nation*, Nov. 30, 1912, p. 382.

of the two conceptions which have been sketched. Translated into a working plan of empire reconstruction, the Liberal proposal would be *Britannic Alliance* and the Conservative proposal *Imperial Federation*; the one based on mutual preference; the other on the rule of force. Of *Britannic Alliance* Conservatism would say that there is no precedent for alliance in perpetuity; that the conception ignores the teaching of history that co-operation between States always breaks down; that the ultimate power of compulsion alone can maintain an effective unity. Liberalism would reply that it had hitched its waggon to a star; that because a thing has never yet been done it is not necessarily impossible; that the practicability of perpetual alliance is a question of the presence of the enabling conditions and of the intelligent use thereof; that the modern experience of the British Empire has frequently falsified Conservative pessimism and may do so again.

CONVERGING TENDENCIES

Predisposed by its instinct of liberty in favour of *Britannic Alliance*, English Liberalism could hardly fail to perceive how strongly the case for boldly attempting that solution is reinforced by the special circumstances of the time. In Britain to-day the parliamentary system is thoroughly discredited, not merely because its working is felt to be corrupted by the money power in politics, but also because its fundamental principle, majority rule, has ceased to command the general respect of either conscience or intellect. Within the last

few years a Home Rule bill has been introduced and passed by forcible methods with a cynical neglect to seek any "mandate" from the country for so vital a change. An organised minority in Ireland declares that it will not have Home Rule, regardless of what any majority may decree; and in this contumacy it is applauded not merely by many Liberals and Conservatives, but also by some persons of note, and of Liberal traditions, who stand outside the party camps. Labour arranges its stupendous strikes, dislocating the national life, in utter indifference to the divine right of national majorities. The militant suffragettes emulate the tactics of "direct action" in feminine modes but an identical spirit. In each instance the demand is for "justice"—whatever that may mean—as opposed to the right of majority rule. But the divine right of majorities, the working principle of the parliamentary system, is not in itself the primary postulate. It is merely the consequence or expression of an ulterior principle, which is the really fundamental one, that might is right, the theory being that in the last resort the majority could impose their will by physical force. Thus the ultimate and essential basis of parliamentary government is the rule of force, and that is the principle against which the parent democracy of the Britannic commonwealth is in hot revolt.

Accordingly, the question arises whether it would be statesmanship, for Liberalism at any rate, to attempt the reconstruction of the Britannic polity upon the basis of a principle which is so nearly a recognised anachronism. It is one thing

to suggest that the old parliamentary machine should be tinkered up, or even remodelled, for a few more generations of service to Britain : quite another to propose that a brand new machine of this obsolescent type should be constructed as the vital organ of the new Britannic commonwealth, which is intended to endure for centuries ahead. Liberalism, at least, conscious of its age-long aspiration to supersede the rule of force, will not be deaf to the suggestion that the time may be here and now, the glorious privilege of the Britannic peoples of to-day, to inaugurate the new order of inter-State association, an exemplar of twentieth-century civilisation. Britannic Alliance, the alternative to Imperial Federation or any other form of centralised government, may or may not contain the germ of that indefinable "justice" which is the goal of so many separate and vigorous tendencies. But at the least, avoiding parliamentary union and centralised armaments it would avoid majority rule and the principle of coercion, which are already known to be obnoxious to "justice." And is it not conceivable that a single factor, the marvellous and continuing development of the power of physical and mental communication between scattered peoples with a common language, may already have made practicable what was formerly impracticable—perpetual alliance of independent nation-States ?

"DRAWBACKS OF FEDERATION"

To federate the Empire on the Conservative plan would, Liberalism might admit, unquestionably be a great and even Liberal achievement, calculated

to ensure substantial benefits to the federated peoples and to assist the peace of the world. But if Britannic Alliance is practicable at all, it would ensure those same benefits. In addition it would mark a new stage of civilisation, instead of merely enacting on a larger scale what has often been achieved before. It would be something different, not merely something bigger. The possibilities of federation as a system of inter-State union are already well known through varied experience. It can give security, but only at a heavy sacrifice of liberty. The scope it allows to individuality is provincial only, not national. To federate tribes or provinces which are too much commingled to pursue separate national careers has been necessary and salutary; but to federate nation-States which have severally the opportunity of further development might be to degrade them unnecessarily. The measure of State autonomy which federation permits is far short of national independence; and it never operates without constant friction between the central and local governments. Its frequent aspect is that of "wrangling, jangling States," as Mr. Merriman once said of Australia. By limiting the responsibility of each community in international affairs, federation limits both the expression of national individuality and the necessity for self-control,¹ which is not good for the

¹ *e.g.* Contrast the handling of the Asiatic immigration question by California on the one hand, and on the other hand by the Dominion of Canada, the Commonwealth of Australia, and the Union of South Africa, as affecting foreign relations. Those Dominions have had the power to embroil the Empire, had they

moral advancement of a State or its citizens. Perpetual liberty to go wrong, even to wrecking the greatest empire on earth, is a condition making for consciousness of responsibility ; and is, therefore, of greater value to the ultimate aim of statecraft, which is the perfecting of citizenship, than the irritating sense of the constitutional supremacy of an armed sovereignty.

International security without the loss of national independence, within the wide boundaries of the British empire, would be for Liberalism its Britannic star. Whether Imperial Federation could possibly fulfil the same ideal, as its advocates have sometimes claimed, and what would appear to be the enabling conditions of perpetual Britannic Alliance, are questions now remaining for discussion.

chosen. Yet they have made no trouble for the imperial government like that which California has made for the Washington government. It seems to me that the tone of the Dominions is quite different from that of the old provincial colonies, which were more akin to California. I cannot conceive the Commonwealth government, having a navy of its own, emulating the recklessness of the Queensland Premier who once tried to annex New Guinea ; or the Union government, which can raise a considerable army, making a Raid on Lourenço Marques. But to some people these possibilities seem to be a nightmare.

CHAPTER III

IMPERIAL FEDERATION

AT the moment of writing, the position appears to be that the old system of imperial government is admittedly no longer workable, and something different must be developed to take its place. The obsolete system, Colonial Dependence, which secured British ascendancy through the legal supremacy of the British parliament, was constitutional enough. Of the alternative new systems, Britannic Alliance and Imperial Federation (unless some novel, hybrid arrangement is to be the eventual outcome), either would be constitutional. But the present time is only the beginning of a period of transition to one or other ; so that from the political standpoint the tentative developments which are now proceeding have to be viewed in relation to their tendency rather than to their immediate, transitional effect. The intention of those in authority lately seemed to be, as already indicated, that the old system of Colonial Dependence should be succeeded, not by the Imperial Conference which represents the principle of alliance, but by an adaptation of the Committee of Imperial Defence, which stands for centralised control under the government of Britain. If that

plan were adopted, a constitutional system of British ascendancy would be discarded in favour, for the time being, of one which was flagrantly unconstitutional; the Defence Committee in its present form being incompatible with the divided responsibility of co-ordinate national parliaments, and, consequently, depending for its operation on a secrecy of procedure which is alien and dangerous to the Britannic tradition of liberty.

THE HALF-WAY HOUSE

By imperial federalists, however, the idea of substituting the Defence Committee for the Conference seemed to be regarded with satisfaction. They suggested that, with some modification, the Defence Committee might be turned into a "cabinet" of the Empire.¹ As they alone seemed to have a definite conception of the goal to which the recent change was pointing, it seemed reasonable to suppose that, if anything more rational than the mere impulse of ascendancy had been at work in Downing Street, it was the idea of Imperial Federation. Doubtless the federalists are fully conscious of the constitutional anomalies of such a re-adapted Defence Committee, and of the impossibility of working a federal cabinet without a federal parliament, having regard to the tradition and instinct of the Britannic democracies. It may be done in the German Empire, which has practically an independent executive, but the British Empire cannot yet dispense with control by parliaments. Though in Britain the parliamentary tradition has

¹ e.g. *Round Table*, Sept. 1912, p. 635.

become widely discredited, it still holds undisputed sway in the Dominions. Presumably, therefore, the notion was that, given a federal cabinet or executive, a federal parliament would be bound to follow at no distant date. Such a possibility might commend itself to the British bureaucracy which, imbued with the mental habit of ascendancy, would regard Imperial Federation as a lesser evil than Britannic Alliance, because for some years to come Britain would remain paramount in the federal executive and would practically monopolise the great departments of State. In these circumstances it is not too soon for the peoples of the Empire to be inquiring seriously what Imperial Federation really means, in order that they may decide whether they are prepared for that solution, or whether they would prefer the alternative, Britannic Alliance, to which the tendency of events had been steadily pointing until it was changed, at least for the moment, by the *coup d'état* of 1911.

IMPERIAL FEDERATION IN THE DOMINIONS

To Liberalism the appeal of Imperial Federation is always that it embodies the good old British way of solving problems of the kind in question, *i.e.* by democratic representation in an elected parliament with an executive responsible to it. Hence there has always been a sincere, though not extensive, school of Imperial Federation in the Dominions, including a distinctively Liberal element. In Australia the branch of the old Imperial Federation League has survived and flourished under the inspiring presidency of a great Liberal, Mr. Deakin.

The attractiveness of the idea does not begin to weaken until the attempt is made to draft a federal constitution for the Empire, when the discovery is apt to arise that any workable scheme would require a more extensive transfer of authority from the national parliaments to the federal parliament than had been contemplated in the abstract, and would trench very seriously upon the existing system of national autonomies. In face of this practical difficulty imperial federalists in the Dominions, and Mr. Deakin in particular, have been found ready in practice to make the most of the Imperial Conference and its principle of alliance, without surrendering their theoretic positions as federalists. It was Mr. Deakin whose firm stand at last induced the Admiralty to accept the principle of an Australian navy. Sir Wilfrid Laurier, too, may be cited as an example of a Dominion Liberal who formerly endorsed the theory of Imperial Federation but in practice has declined to go a single step beyond the Imperial Conference in its inchoate form. His obvious apathy in recent years towards the whole question may perhaps be attributed to his intuition that if the policy of economic co-operation is refused the conception of alliance is impracticable and the several nations of the Empire must resign themselves to drifting apart, Canada accepting her alternative destiny as an "adjunct"¹—though he would not so describe it—of the United States. At least it is clear that the attitude of the Dominion federalists towards the Imperial Con-

¹ President Taft suggested that his reciprocity scheme would make Canada an "adjunct" of the United States.

ference differentiates them altogether from those federalists in Britain who, reflecting rather the Conservative temperament, are prone to disparage alliance as a hopeless conception and to ignore or belittle the Imperial Conference.

ASCENDANCY IN IMPERIAL FEDERATION

Whenever the question is really faced, Dominion federalists are confronted with the objection that Imperial Federation only means British ascendancy in a new shape, owing to the inevitable preponderance of Britain—at least for a considerable period—in any federal house of assembly. Some of them have been disposed to accept this prospect with resignation; and to meet the objection by arguing that the Dominions, once they had secured a proportionate voice in a constitutional manner, should not complain if they could not always get their own way. It may be questioned, however, whether the fear of British ascendancy in this form is really well grounded. The apprehension assumes that parliamentary conjunctures might probably occur in which the British vote would be cast solidly, against an equally solid Dominions vote. But of this probability there is no indication in existing conditions. Rather may one conjecture that neither the British nor the Dominions vote would ever be solid, any more than has been the case in the much more provocative circumstances of the racial conflicts in Canada and South Africa. At present there is a marked and growing tendency towards what has been termed “compatriot politics,” *i.e.* co-operation between

political parties in Britain and sympathetic parties in the Dominions. The Labour parties in Britain and Australia have given this tendency its most marked expression hitherto. Historically, however, they were anticipated by the Irish Nationalists, who for years past have been campaigning in the Dominions for their special cause, and were thus indirectly developing a working alliance between the Liberal parties in Britain and overseas. More recently, Tariff Reform has provided a somewhat precarious link between the Unionist party in Britain and the Liberal-Conservative party in Canada. A Unionist leader has toured Canada in behalf of Ulster. This growing tendency of "compatriot politics" seems to suggest that under Imperial Federation the party organisations would become inter-State, and party divisions in the federal parliament would cut across the apprehended division between Britain on the one side and the Dominions on the other. It is difficult to foresee any issue which would be likely to rally all the political groups in Britain on the one side, and all the Dominion parties on the other. The real risk—if any—of British ascendancy under Imperial Federation would rather lie in the probability that the ministerial executive and, above all, the permanent bureaucracy of the federal departments of State would be mainly drawn from Britain, at least to begin with. The Admiralty, for example, and the Foreign Office would presumably be transferred wholesale to the federation, and their bias would continue to be precisely what it had been.

FEDERATION AND AUTONOMY

Apart from the fear of ascendancy, which conceivably is only a bogey, Dominion federalists have had to encounter the reluctance of their people to surrender any part of the national autonomy they have gradually won by strenuous struggle. Here the federalist line of argument has been that Imperial Federation, so far from impairing national autonomy, is requisite for making it complete. There could be no better illustration of the reasoning than a passage from the little book which Dr. Parkin, the Canadian, published in the hey-day of the Imperial Federation League and which, though necessarily out of date in respect of details, remains the best general exposition of the federalist view, especially from a Dominion standpoint:—

“In the minds of some Colonists and more Englishmen I have found a belief, or rather a suspicion, that any closer union than at present exists could only be effected by taking away from the colonies some of the self-governing powers which they now possess. That this is necessary is clearly a mistake, and one which probably arises from the erroneous impression about the degree of self-government which a colony enjoys. *Not the resignation of old powers, but the assumption of new ones must be the result of Federal Union.*¹ A colony has now no power of making peace or war; no voice, save by the courtesy of the mother-country, in making treaties; no direct influence on the exercise of national diplomacy. Admitted to an organic union, its voice would be heard and its influence felt in the decision of these questions. To the Imperial Parliament, that is, as things now stand, to the Parliament of the United Kingdom, is reserved the right to override the legislation of a colony, just as, for example, the

¹ Italics not in the original.

Parliament of the Dominion has the right to override the legislation of a Canadian Province. But as the Canadian feels in this no sense of injustice or tyranny, since he is represented in the superior as well as in the inferior Legislature, so the colonist would feel no loss of political dignity if he had his true place in the higher as well as in the lower representative body. With enlarged powers, it is true, the colony would have to accept enlarged responsibilities. In human affairs the two invariably and rightly go together. If, instead of federation, a colony chose independence, it would evidently be compelled at once to assume the control of all questions now reserved for Imperial treatment, and the corresponding burdens now provided for at Imperial expense. In a closer union the larger control and the larger responsibility would be assumed in partnership rather than individually. Surely this is not subtracting anything from the power of self-government. It is the means of making it complete.” (*Imperial Federation*, pp. 55-7.)

To the Dominions, then, Imperial Federation means “not the resignation of old powers but the assumption of new ones.” There is the pith of the question. If the thesis was tenable in 1892, is it still tenable to-day? One reflects at once that, even if nothing is to be federalised except foreign affairs and defence, the larger Dominions must now be asked to resign very considerable powers which they are already exercising. Clearly the Australian Commonwealth must surrender control of its navy, and all the Dominions some part of the control of their military forces. Further, the Foreign Office has frequently been concerned with the difficult question of Asiatic immigration, which affects China and Japan and which, in another aspect, is felt to menace the internal peace of the Indian Empire. The Dominions must resign their independence, therefore, in regard to immigration.

Treaties, again, and foreign relations generally, are mainly concerned with commercial interests. Since at present the imperial government does not order the tariff systems of the Dominions, the Dominion governments have acquired a right, practically, of negotiating commercial treaties on their own account. A whole series of agreements, going far beyond the strict range of commercial treaties, has been negotiated by Canada with the United States. The new system seemed to work without detriment to imperial unity until the other day, when the Taft-Laurier reciprocity agreement brought the Crown face to face with the prospect of having simultaneously to uphold two different and conflicting conceptions of the "most-favoured-nation clause" as an international principle, and of having to tolerate the differential treatment of one Britannic State as against another in a very important foreign market. In order to avert developments of this kind the federal parliament would require to have some control over the tariff policy of the several States ; involving another important surrender of old powers. As to "enlarged responsibilities," some of the Dominions, notably Australia, are now more fully recognising their responsibility for the defence of the Empire as a whole, and in this respect could make little advance through Imperial Federation. Any Dominion which equips itself with a considerable naval force automatically obtains a real voice in the direction of imperial foreign policy, because the British government could no longer afford to disregard its ally. One may wonder, too, whether, if Imperial

Federation had been achieved in the Nineties, the spectacle would have been witnessed to-day of compulsory military training in Australia and New Zealand, a development which, in the opinion of many Englishmen, represents the most notable advance hitherto in the recognition of defence responsibilities. Under Imperial Federation the enlarged responsibility for Australia, in respect of defence, would be that of deciding whether compulsory military training should be imposed on Britain or, in the alternative, the margin of naval preponderance be increased sufficiently to dispel the chronic panic which arises in these islands from conscious military impotence. To share the power and responsibility of overriding the legislation of Britain or any Dominion would, no doubt, be a real enlargement. But the imperial veto has been steadily falling into disuse in proportion to the growing strength and conscious responsibility of the new nation-States. Except when treaties are at stake its exercise tends to be limited nowadays to diminutive Dominions, impotent to resist; and of such the only example still surviving is Newfoundland, all the others having found security through local amalgamation.

Most of the federalist literature betrays a tacit assumption that the main obstruction to Imperial Federation is to be found in the Dominions rather than in Britain. Yet the argument that there would be no resignation of old powers cannot, of course, be offered for a moment to a British audience. Britain would be required to divest herself once for all of her imperial supremacy, and to resign her

national independence in respect of foreign affairs, defence, and whatever else might be involved. Until the issue is one of practical politics, which has not yet occurred¹ it is impossible to judge how the British electorate might take such a proposal. For them the notion that their defence burden would be distributed is traditionally the main attraction. But nowadays that prospect is seen to entail the possibility of their being coerced into National Service by the aid of Dominion votes, as a means of keeping the naval burden within bounds. In some quarters that possibility would suffice to condemn the whole proposal. In foreign affairs, again, the old tradition that nothing obnoxious to the United States must ever be insisted upon, might soon have to be jettisoned. Certainly Canada, Australia and New Zealand would not be disposed to take "lying down" such treatment as the threatened discrimination on the Panama Canal. They would demand a retaliatory policy, if only as an instrument of negotiation, and this would postulate the power of the federal government to regulate the trade and shipping interests of the Empire.

SIR JOSEPH WARD'S SCHEME

Despite the points above indicated, which arise out of modern developments within the Empire, modern imperial federalists often seem to cling to the notion of twenty years ago, that federation

¹ The nearest approach, hitherto, is the example afforded by the Conservative fiscal proposal, which is discussed in the final chapter.

need not mean any resignation of powers on the part of the Dominions. In order to support this position they are constrained, like their predecessors, to limit the scope of the federation to foreign affairs and defence, two subjects which, they rightly declare, are by nature inseparable. This feature appeared in the scheme which Sir Joseph Ward laid before the Imperial Conference in 1911. It is true that he himself did not conceal the particular consequence to Australia, viz., the surrender of peace control over her prospective fleet unit, some of his remarks clearly showing that he regarded the Australian naval policy as fraught with peril and as a special reason for hastening with federation. It may also be noticed, if only as evidence of continuing chaos in the federalist school, that his able colleague, Dr. Findlay, in the bright little book,¹ which he afterwards published, in some places seems to postulate the same limitations, but in other places suggests that the proposed federal parliament would be charged with those various other subjects, chiefly commercial, which have repeatedly engaged the attention of the Imperial Conference. Speaking generally, however, Sir Joseph Ward seemed to assume the limitation to foreign policy and defence. So the question of whether that limitation is really feasible must be carefully examined.

THE MEANING OF FOREIGN POLICY

What *is* foreign policy? It may be defined, generally, as the attitude which a State adopts towards other States with a view to securing the

¹ *'The Imperial Conference from Within,'* 1911.

liberty of its own people. For different peoples liberty has, no doubt, different meanings at different periods, and it has often had a different meaning for the same community at different epochs. Freedom from alien and distasteful rule is the primitive claim of liberty, and until that immunity is felt to be secure the foreign policy of the State is likely to be dominated by this motive. In modern times, however, this primitive form of liberty has ceased to be the general preoccupation of governments in their foreign relationships with each other. Among the leading Great Powers the forcible imposition of their alien rule upon other civilised people is not a venture which seems worth while; for, in these days of world-wide and daily publicity, it would always bring difficulties at home and discredit abroad. For them the motives of aggression, if such there be, must be sought elsewhere than in the mere instinct of aggrandisement. Yet, so long as oppression anywhere exists, there must always be the possibility of some sympathetic State embarking on a "crusader" foreign policy. But one need not here inquire how far, for example, the present war in the Balkans has been instigated by the crusader impulse of the several Allies, or how far by their cool calculation of territorial expansion with a view to enlarging the physical and economic basis of national life. For better or worse the crusader motive has become abnormal and exceptional in the modern world. None of the leading Powers is found to tolerate the proposal, when pressed, that its foreign policy should become the agent of any altruistic impulse

—least of all the democratic States. It is always insisted, when the time comes, that national self-interest alone must be considered, and one finds that national self-interest is usually described in economic terms. For practical purposes, therefore, the definition of foreign policy may be further specialised. In the context of the British Empire, and other leading Powers, foreign policy is the attitude which a State adopts towards other States for the purpose of protecting or enlarging the economic opportunities of its own people. That is to say, the economic aspect of liberty is nowadays uppermost. Occasionally the Foreign Office may be engaged in defending the personal rights of the citizen abroad, or in other non-commercial matters. But, generally speaking, the main scope of its normal activities seems to be covered by the above definition.

The primary object of government is to enable the people to live, without which they can enjoy no other form of liberty. Its primary duty, therefore, is to protect, or even invent, if necessary, opportunities of livelihood. What the socialists seek to obtain through nationalising the means of production and distribution, a more numerous and better-credited school holds to be a question of export markets, socialism or no socialism. Even in free-trade Britain the aid of the Foreign Office is continually invoked in behalf of trade, and much more so in the case of France and Germany with their smaller area of territory under the flag. Lately the Americans seemed to think they had discovered a new kind of foreign policy, which

they were pleased to call "dollar diplomacy," not realising that it was just the European article stripped of conventional disguise. The simultaneous pursuit of economic opportunities abroad by many great States, with the obvious risk of their interests conflicting, explains the system which is called the "balance of power," the leading States having combined in groups for mutual support of economic claims. Nowadays almost every international dispute hinges on some question of trade. The disputes connected with Morocco, Tripoli, Persia, China, the Panama Canal, Servia—to recount the series of recent friction—each and all illustrate the identity, over a large field, of foreign policy with the protection of economic interests. Under the existing world conditions, which there is no immediate prospect of changing, trade is plainly more akin to war than to peace. It is a ruthless competition in which defeat involves physical privation and suffering. When trade is slack the question of whether, for example, Britain or Germany gets the contract for a big bridge in South America may mean the question of whether British or German artisans are to go without wages, or, at least, to suffer some reduction. Recognising, therefore, that the main purpose of foreign policy is to protect or enlarge the economic opportunities of the people, would it be possible for a government debarred from handling trade policy to deal effectively with foreign affairs?

AN IMPRACTICABLE DIVORCE

If it seems strange that so elementary a question

should have been neglected by the federalists, even when they are putting forward a tentative constitution, the explanation may be that the case of the British Empire is the first instance in which it has really arisen. In none of the familiar, modern examples of federation has there been any real question of separating foreign affairs from trade affairs. In the instances of Germany and South Africa (which is relevant to the point at issue) political union was actually preceded by a customs union, so that the new central government, when the time came for establishing it, was given control of commercial policy as a matter of course. In the other instances—the United States, Canada, Australia—commercial union accompanied federation, and again the federal government was given undisputed power to control tariff policy. Thus there is no working precedent for the present proposal that States should be federated for foreign affairs but not for external commerce.

The only available analogies seem to be applicable, if at all, rather to the conception of “associated kingdoms”¹ which resembles the conception of *Britannic Alliance*. They are drawn, not from any example of federation, but from the system of dual monarchy which formerly obtained as between Sweden and Norway, and which still obtains as between Austria and Hungary. In both instances the original idea seems to have been that of conducting in common the foreign relations of the two kingdoms, but not their commercial

¹ “Associated Kingdoms” is Mr. J. S. Ewart’s phrase for a future *Britannic* system, but based on limited contract.

relations ; and in both instances the division was found impracticable.¹ The union between Sweden and Norway went to pieces ultimately over the question of foreign relations. The commercial policies of the two kingdoms had diverged and become antagonistic, which led to the persistent demand of Norway for separate consular representation in foreign countries, and for a separate standing in foreign negotiations. In consequence the King of Sweden felt obliged to relinquish the crown of Norway, and the two States resumed their independence. The Austria-Hungary case is of more recent origin (1867). It seems to resemble the other in that the original plan excluded commercial policy from the sphere of joint action, which was expressly confined to foreign affairs and defence, just as our imperial federalists propose. From the outset, however, this limitation had in practice to be disregarded. A customs union was soon effected ; and with the possibility of maintaining the customs union has been bound up the possibility of maintaining the dual system generally, owing to the constant interaction of foreign policy and trade interests. At one time, when Austria wanted Protection, while agricultural Hungary was still clinging to Free Trade, disruption seemed imminent, and was only averted by a compromise tariff being arranged, which saved the customs union and with it the union for foreign affairs and defence. Whenever, at the arranged periods, the terms of the dual monarchy come up for revision, the question of

¹ See *Encyclopædia Britannica*, 11th edition, articles on Sweden and Austria-Hungary.

commercial policy is always felt to be the rock on which the system may split; though the danger seems to have lessened since the time when Hungary, under the influence of modern economic developments, cooled off Free Trade. However that may be, such analogies cannot be used with too much caution, owing to the wide difference of historical, racial and physical conditions between those European States and the Britannic countries. If they can serve to illustrate the identity to a large extent of foreign relations with trade relations, that is perhaps the limit of their application to the Britannic problem.

But without going in quest of foreign analogies one would have thought that the conspicuous and constant association, in Britain, of the Board of Trade with the Foreign Office, might have suggested the question of whether in practice it would be possible to federalise the latter without the former. A certain looseness of language has helped to disguise the practical difficulty. Federalists talk of "questions of peace or war" as the subject they propose to federalise. But questions of peace or war do not suddenly arise out of nothing. If they did, the federal parliament would be idle, as regards foreign affairs, in the long intervals between these rare emergencies. Crisis means the climax of a tension, implying that there has been a conscious conflict of national aims about something. Whatever that something is, it must be federalised, if the federal government is to deal with questions of peace or war.

ENFORCING TREATY-RIGHTS

Let us now consider the matter from the standpoint only of the treaty-enforcing and treaty-making power, regarded as an irreducible minimum of federal authority. As to unexpired treaties, we may assume that the new imperial government would have no difficulty in securing continued observance of their terms by such States of the Empire as had been implicated before. But in regard to making the foreigner observe his reciprocal obligations, the new imperial government might soon find itself in a worse position than the old one. Debarred from commercial or fiscal measures it could bring no pressure upon any foreign State excepting naval and military pressure. In the case of such disputes, involving treaty rights, as those of the Newfoundland Fisheries, or the Panama Canal, the Britannic interest could not be pressed by the Britannic government, whether to arbitration or to any kind of private settlement, except by using the threat of war. To this it may be replied, perhaps, that the prospective position would be no worse than the present one, because the existing imperial government, as in the two examples mentioned, has been debarred by a self-denying ordinance of its own from exerting any kind of commercial pressure upon any foreign government.¹ True: but can any one imagine

¹ In connection, however, with the last commercial treaty with Japan it was rumoured that financial pressure was exerted by the Foreign Office. This weapon would be less readily available to an imperial government which was not also in a position to dispense political favours in Britain.

such a state of affairs surviving Imperial Federation? Admit the Dominions to any effective share in the control of foreign policy, and assuredly the defensive attitude of the Empire will be stiffened. The new demand would be for the enforcement of Britannic rights, and the means proposed would be those natural to protectionist communities, *i.e.* the leverage of commercial regulations. Either the federal government must, contrary to the federalist proposal, be endowed with considerable powers of regulating commerce, or else its foreign policy must be expected to develop a hectoring attitude which would be not less distasteful to the constituent communities than dangerous to the peace of the world.

TREATY-MAKING

Turning next to the making of treaties, few of the current treaties are naval or military conventions pure and simple; nor is there any apparent reason to expect that this type will predominate hereafter. The majority of treaties are agreements of amity and commerce, or commercial agreements simply. Ordinarily the contracting Powers reciprocally concede to each other's subjects a liberty of entry, residence and trade within the territory. In addition, there may be special concessions in regard to tariffs or shipping. But if the proposed federal government did not possess any jurisdiction in regard to immigration, trade, or shipping, how could it conclude on its own authority any such treaty in the name of the Empire as a whole, or even in the name of any of the constituent

States ? It could not guarantee the rights of entry, residence or trade without first obtaining the sanction of each self-governing part to which the treaty would apply. Still less could it offer any privileges affecting the tariff or shipping laws of the separate States. So the new imperial government would have to fall back, after all, on the derided system of imperial conference which it was supposed to have superseded. Its position would be even weaker than that of the old imperial government, which could at least pledge the United Kingdom, subject only to the approval of the British parliament in those exceptional cases where special legislation might be required. Nominally a sovereign authority, even in making treaties it would find itself back at the old business of consulting each of the State governments, with the further aggravation that they would now be six instead of five.

AN ACADEMIC PARLIAMENT

The farcical nature of the new situation would be emphasised if, as is generally proposed, the new imperial executive is to be responsible to a full-fledged federal parliament which, having no interests to look after excepting foreign affairs and defence, is to remedy the existing evil of the non-discussion of foreign policy by the people's elected representatives. Trying to debate foreign policy, it would find itself involved at every turn in matters beyond its jurisdiction. Suppose, for example, it had already come into existence some years ago, at the time when the government of Newfoundland

entered upon its fisheries campaign against the United States. The issue underlying that dispute was whether the American duties on foreign fish were sufficiently restrictive to warrant the Newfoundland government in employing such weapons of retaliation as it happened to possess, as a means of securing larger economic opportunities for the island fishermen. The main weapon was one which involved a question of American treaty rights. This ultimately went to arbitration. But the award could not and did not touch the real cause of the dispute, which, therefore, continued, and apparently continues still. Under the existing system that dispute, of vital importance to Newfoundland, never engages the attention of the present "Imperial" government, which is too busy with the local affairs of Britain to worry itself about so distant and complicated a matter. But the new imperial parliament is intended expressly to look after foreign affairs, and, moreover, would be obliged to do so, if only in order to fill in its time. Try to imagine, then, the continuous debates on the Newfoundland difficulty, which has already been protracted over several years. Our federal politicians would have been allowed to discuss and decide about the question of treaty rights, which was merely incidental; but not about the question of how Newfoundland was to find a better market for her fish, which was the real point at issue. They might have passed resolutions, to be acted upon by the imperial executive, concerning the manner of interpreting the treaty of 1818. But they might not discuss the underlying

issue, the thing that really mattered, except as an academic debating society. They might have expressed the pious opinion that enlarged markets within the Empire should be opened up to Newfoundland fish. But they could take no measures to that end, which would probably require some arrangements of tariff preference and the provision of improved transport services. Likewise they might have resolved that the Britannic States ought to exert the combined weight of their power to discriminate against American trade in order to get the obnoxious duties reduced; but they could themselves have taken no measure to that effect. For all such purposes they would only be an advisory council, offering advice to governments jealous of the federal authority. Their conspicuous impotence to deal with ordinary matters of foreign policy could only discredit their parliament to themselves, the Empire and the world at large. Surely it is obvious that any federal government which is to have effective control of the foreign relations of the Empire must be equipped with power to regulate its commerce. The main content of foreign policy is economic interests; and the proposed separation can subsist only in a paper constitution. Any practical scheme of Imperial Federation must supplement the federal foreign office with a federal department of trade, even if it involves some considerable sacrifice of State autonomy.

THE REVENUE DIFFICULTY

A further difficulty, in the proposal to restrict

the federal authority, is that of how to provide the federal government with revenue for the purposes of naval and military defence. To get over it Sir Joseph Ward proposed—and this was the only real novelty of his scheme—that instead of having any independent powers of taxation the federal parliament should be authorised to requisition from the State governments their respective quotas of federal expenditure, the apportionment being made by a special board of commissioners. It was easy for such critics as Sir Wilfrid Laurier to fasten at once on this novel proposal, and to suggest that no greater outrage could be perpetrated on British constitutionalism than to separate the privileges of spending from the responsibility of finding the money. Perhaps the federalists could have put up a defence by citing minor examples of the alleged iniquity, which seems to occur not infrequently in the various financial adjustments between the local and central governments of the Britannic States. They might fairly insist on the point that, though the parliaments would be separate, the tax-paying electorate would be the same. Yet the difficulty of proposing that one parliament should spend, and another set of parliaments should find the money on demand, seems sufficiently real to make it worth while inquiring to what extent the federal parliament would have to possess powers of taxation in order to be able to finance its own services.

THE HOFMEYR PLAN

In all the familiar instances of federation, the federal government is financed primarily by having

control of customs duties. It is often argued, however, that the right of arranging the tariff of customs, being indispensable to the control of national development, is the very last which the nation-States of the Empire would consent to surrender to a central government. Possibly the examination of this question has not yet been exhaustive. Long ago a typical Dominion statesman, the late Jan Hofmeyr, a Dutch South African, proposed that the autonomous governments of the Empire should agree to levy a surtax of 1% or 2% on all foreign imports in order to provide a regular fund for naval defence, as an alternative to the British demand for direct contributions. The attraction of the suggestion was, as Mr. Hofmeyr explained, that incidentally the naval tax would effect a preference in Britannic markets for Britannic producers. A more scientific rendering might be to say that the plan would associate payment for defence with the object of defence, *i.e.* economic opportunities. Arrange that each part of the Empire shall look primarily and consciously to the others for its export markets, and you have gone far to establish a permanent community of interest in foreign policy. The administrative difficulties of the Hofmeyr scheme might have been formidable; as there was no plan of Imperial Federation. But the possibilities of dualism in tariff control might, perhaps, be investigated by imperial federalists¹ with better hope of solving their revenue problem

¹ Among English imperial federalists Lord Hythe (formerly Hon. T. A. Brassey) has consistently advocated the Hofmeyr plan.

than seems to lie in the only alternative method they have yet hit upon. To-day a flat rate of 5% on all the foreign imports of the Empire may be calculated to yield—assuming that the volume of imports would not be appreciably restricted by so light a tax—about £30,000,000.¹ Conceivably, a careful division between State and federal responsibilities might bring the budget of the federal naval service within that figure. Supposing the federal parliament were empowered to levy a tariff normally not exceeding 5% (but with the right of differentiating between one foreign country and another) as a prior charge on all the foreign imports of the Empire, while the States severally reserved the right of surtaxing foreign imports and of taxing Britannic imports, might not the control of national development be conserved to them consistently with the necessary equipment of a federal government?

FREE TRADE WITHIN THE EMPIRE

The above suggestion is not put forward in support of Imperial Federation, nor with the confidence of thorough inquiry; but merely in order that the present survey of Imperial Federation may not be hampered by the neglect of the federalists themselves to explore the possibilities more thoroughly. If dualism in tariff control would be practicable, Imperial Federation need not wait for the millennium of free trade within the Empire; a consummation which, however, may not be so remote as is generally supposed. Free trade within

¹ Britain's naval expenditure is, however, about £45,000,000.

the Empire is an ideal not less appropriate to Britannic Alliance than to Imperial Federation. The existing obstacle to it resides not so much in the prospect of deficit which it may offer to Dominion treasuries, as in the postulate of national control over economic development. This postulate implies National Protection as the policy of the Dominions, but only so long as their "standard of living" for industrial workers is higher than Britain's. Were the level of "white" wages practically uniform among the Britannic democracies, the case for protecting the industry of one against another's might soon lose its mainstay. Already free trade between Australia and New Zealand is regarded as a possibility of the near future; their social conditions being on a common level. In Canada one may note the demand in the West for free trade. But this seems to be the demand of a particular section, acting in somewhat selfish disregard of other sections of the nation—because the new settlers in the West lack the Canadian tradition and know little of Canada East. It cannot be cited as corresponding to the Australian instance; the Australian agriculturists displaying a better appreciation of the economics of national unity.

THE MILITARY OCTOPUS

But the expenditure liabilities of the federal parliament would not be limited to the naval service. Besides the ambassadorial and consular services, there would be the military vote, which could not fail to be considerable even if the federal

responsibility were confined to the provision of an "expeditionary force," presumably to be drawn from all the States. That item could hardly be less than the cost of Britain's existing Regular Army,¹ which is generally thought to be inadequate. Next to the suggested imperial tariff the least difficult source of federal revenue perhaps might be found in certain forms of stamp duty, especially death duties; involving, however, a further inroad on the fiscal resources of the State governments and some interference with their power of adapting methods of taxation to national social policies. Let us, then, dismiss the revenue problem of Imperial Federation with the conclusion that at the least it would involve the resigning by the national governments of some part of their power to tax, and would somewhat impair their control over economic or social development. There still remains the question of how far the responsibility of providing for the military needs of the Empire would necessitate the intervention of the federal government in the domestic administration of the several States. Not long ago² the British Prime Minister took occasion to explain in outline the technical work of the Committee of Imperial Defence. He described how nowadays preparation for war is found to require the systematic co-operation not merely of the naval and military departments of State, but of all the civil departments as well. Since it cannot be improvised, the system of co-operation must be elaborated in time of peace.

¹ About £25,000,000.

² July 25, 1912, in Parliament.

In Britain a confidential "War Book" has thus been prepared, assigning to each department its peculiar duties in case of war. The responsibility of all this organising work rests upon the executive ministers who, as colleagues of the Prime Minister, are bound to carry out any resolution he may accept from the Committee. Accordingly, if the federal government is to be responsible for defence, must it not similarly have power to organise for co-operation in war the civil departments of the several national governments? What kind or measure of interference this would involve is a question too intricate to be dealt with here.

IMPERIAL FEDERATION AND IRELAND

Sir Joseph Ward's proposal deserves to be treated with the fullest respect as being not only the latest but also among the best thought-out of published schemes of Imperial Federation. The confusion which seemed to characterise his introduction of it to the Imperial Conference was due simply to an accidental circumstance. He had previously given notice of a motion in favour of creating quite a different thing, a council for advising the imperial government. Instead of withdrawing that motion—a course which possibly may not have been open to him—he endeavoured to make it the "peg" for the federation scheme, which he had obtained in the meantime from a special source and had decided to substitute for his original proposal. If we eliminate the effect of that muddle, Sir Joseph Ward's scheme was logical enough, and any essential part of it deserves

to be regarded as typical of up-to-date federalist thought. Accordingly it is impossible in our present analysis to overlook the fact that Sir Joseph Ward insisted on devolution within the United Kingdom—*i.e.* the creation of separate legislatures for England, Ireland, Scotland and Wales—as an essential preliminary or accompaniment of Imperial Federation. So serious and apparently gratuitous an addition of difficulties to a proposal already loaded with them might tempt one, indeed, to seek the explanation in party politics, and to exclude the feature in question as non-essential to the federalist scheme. If one could imagine that the New Zealand ministers were pursuing the tactics of trying to reconcile the policy of Britannic union with the party exigencies of the British government, one could understand not only the extraordinary proposal regarding federal finance, which would be meant to avoid Tariff Reform, but also the effort to associate Imperial Federation with Irish Home Rule. But that assumption cannot fairly be made, because the Irish feature of Sir Joseph Ward's scheme was by no means novel, having often appeared before in the discussion of Imperial Federation, and is by nature likely to appeal to Dominion Liberalism. With all its drawbacks it must be taken seriously, as an integral part of the actual proposal, and it will be found to have an important bearing on the question of how far it would be practicable to limit the powers of the federal parliament of the Empire.

Sir Joseph Ward's scheme presupposed—so its

author insisted—the creation of provincial governments for England, Ireland, Scotland and Wales. One can hardly suppose that the idea was to equip each of these four divisions of Britain with the complete apparatus of a self-governing Dominion. Rather must one assume that Sir Joseph Ward had in mind the current proposals of “Home Rule all round,” which were being made in connection with the Irish controversy of the day, and in which a federal parliament for the United Kingdom was always postulated. Apparently he had adopted the idea of expanding this federal parliament of Britain into the federal parliament of the Empire. But how is that idea to be reconciled with the other idea, of restricting the parliament to foreign affairs and defence? It seems too obvious for argument that any federal parliament charged with the joint affairs of England, Ireland, Scotland and Wales would require powers much more extensive than that. Its powers would need to be at least as extensive as those of the federal legislatures in Australia or Canada. But if the federal parliament of the Empire is to have powers to that extent, what is there left to the national parliaments of Canada and Australia and the other Dominions? For all practical purposes those legislatures would have become so nearly superfluous that they might be abolished. Thus the type of Imperial Federation which begins with “devolution” in Britain is found to destroy at a stroke the laboriously created national organisations of the Dominions, and to eliminate their national patriotisms from the scheme of the Britannic future.

Surely the conception of Imperial Federation restricted to foreign policy and defence appears less chimerical if it is allowed to start with the assumption either (a) that there exists a legislature, whether unitary or federal, capable of dealing with the local affairs of the British Isles ; or else (b) that Ireland has been given the recognised equipment of a self-governing Dominion, leaving Great Britain in possession of the legislature at Westminster. Either hypothesis frees the way for considering on its merits the question of federalising those interests which are common to Britain and the Dominions ; without the complication of having to take account also of inter-provincial affairs within the British Isles.

SUBSIDIARY FEDERAL INTERESTS

The sweeping extent of federal powers which is implied by the proposal to divide the United Kingdom into a number of units in Imperial Federation, would have, at least, the incidental advantage of making the federal system thoroughly effective, by bringing within its scope the whole range of interests common to all the Britannic democracies. But if we revert to the original hypothesis, that the federal parliament is to deal only with foreign affairs and defence, or with only such additional subjects as may be found inseparable from those two, we have to notice that this system would exclude many subjects which have repeatedly occupied the Imperial Conference and which are, therefore, *prima facie* subjects of federal interest. For example the means of physical and

verbal communication between the State units are of fundamental importance to all federations ; and in no instance more conspicuously than in that of the maritime British Empire. Inter-State mail services ; carriage of inter-State commerce ; inter-State telegraphs, and inter-State migration together account for no small part of the past proceedings of the Conference. To have a federal government, and yet for that government to be debarred from framing a common law even for merchant shipping, would certainly be anomalous in theory and might prove intolerable in practice.

In regard to merchant-shipping law, friction has been recurrent for some years between the British and Australasian governments. Uniformity of regulations, so important to the shipping trade, has been their common aim. But progress has been impeded by a radical difference of political conceptions. While the British aim has been to keep the standards down to the level imposed by foreign competition, the Australasian aim has been to enact better conditions for seamen, and to protect that policy by means of preferential arrangements which, of course, are obnoxious to Free Trade and to the international organisation of business. If the federalists desire to win democratic support, especially in Britain, perhaps they would do better by commending federal centralisation as a weapon of social improvement than by continually harping on the defence argument, which by itself is imperially potent only so long as international tension can be kept at fever heat. A federal parlia-

ment, where the British Labour party could combine with its Dominion allies, might be suggested as the means of rapidly levelling up British conditions of labour to the Australasian standard. Carried all along the line, this process should ultimately remove the obstacle to free trade within the Empire, and bring about a pooling of Britannic resources of economic opportunity. With such a programme Imperial Federation might become more magnetic to the industrial masses in Britain than it hitherto has been.

GOVERNMENT BY LITIGATION

It would be easy to continue the series of illustrations, showing how difficult it must be for practical constitution-makers to restrict the powers of the federal parliament. But some one may urge that, after all, any non-federalised subjects would only remain to be dealt with by means of inter-State conference and spontaneous co-operation, with at least the same facility as hitherto. Unhappily there is no certainty of that, because the position after federation could not be the same as the position to-day in respect of voluntary, inter-State co-operation. One familiar and unavoidable feature of federation is that it provokes continual quarrelling between the local and the federal legislatures as to the precise delimitation of their respective powers under the federal constitution. The wrangles occur first in the legislatures themselves, impeding the course of business; and are ultimately fought out in the law courts. No love being lost between the corporate antagonists—albeit they are all supposed

to be serving the same master—the local governments are more readily disposed to co-operate for the purpose of thwarting the federal government than for the sake of implementing its policy or assisting its success. It is difficult, therefore, to avoid the fear that whatever subjects of Britannic interest were excluded from the scope of the federal legislature would stand to fare worse than they did before.

The responsibility of finally interpreting the federal constitution would fall to the Judicial Committee of the Privy Council, an institution derived from the Crown and already adapted to the federal function. Under the present imperial system, the committee is the final arbiter of constitutional disputes between the local and federal legislatures in Canada and Australia. Occasionally there have also been disputes between a Dominion government and the imperial government, but these have been comparatively rare. Within recent years there have been two instances—one affecting Newfoundland and the other Natal (before the Union)—in which it was intended to ask the Privy Council to pronounce upon the constitutionality of the executive action of the imperial government. In both these instances the appeal was averted by the imperial government offering to settle private claims out of public funds. Such a resort to “hush money” indicates how very disagreeable, not to say dangerous, disputes of this kind were felt to be by those responsible for imperial control. But under Imperial Federation this infrequent type of constitutional conflict would probably

become very common. The unhappy national governments of Canada and Australia would find themselves between the nether and upper millstones, of the local governments beneath and the federal government above ; facing now this way and now that, or sometimes both ways at once, in the effort to preserve against further encroachment their tightly sandwiched sphere of authority. To cope with the political litigation of his federated peoples his Britannic Majesty would require to double the strength of his Judicial Committee.

FEDERATION AND PARTY POLITICS

Against this undeniable prospect of multiplied friction federalists may set the advantage, which they say would accrue, of restoring health to the distressed parliamentary system. They point out—and no one can dispute their account—how in Britain parliamentary procedure has become farcical, all the real authority over national affairs having gradually become centred in the cabinet alone. Relieve the parliament at Westminster of its present responsibility—which it does not fulfil—for foreign policy and naval defence, and then (the argument runs) not only may those two subjects be properly handled at leisure by the federal representatives, but the old legislature will thus be enabled to give more time to the business remaining to it; and so may the old traditions of parliament be restored.

The force of the above plea seems to be impaired by two considerations. As a remedy for congestion at Westminster it seems possible that British

devolution, or "Home Rule all round" in the United Kingdom, might suffice without Imperial Federation; especially if the proposal is that the subjects of Imperial Federation should be limited to foreign affairs and defence, which are not subjects of a nature to occupy a very great deal of parliamentary time. Secondly, is it certain that the only or principal cause of the progressive discredit of the British House of Commons is to be found in the congestion of business? A different diagnosis traces the evil rather to that modern elaboration of political organisation which has for its apex the party machine, a financial creation with a financial mechanism inimical to the spirit and working of a democratic assembly.

Another and cognate idea is that Imperial Federation might somehow rescue Britannic interests from party politics. One need hardly discuss the possibility—though it seems sometimes to be assumed—of a federal parliament being conducted without the aid of the party system. Within the Empire the party system is the offspring of responsible government, which requires the formation of an opposition party for the purpose of keeping the administration alert and efficient by seeking flaws in its every act. But the idea may be simply that in federal politics the line of party division would be determined by Britannic interests only; avoiding, for example, the absurdity whereby a British elector cannot support Welsh Disestablishment without voting against Imperial Preference. Even then the real prospect is far from reassuring. Theoretically,

the politics of the London County Council, or of any other large municipality in Britain, are quite distinct from national politics and should not produce an identical line of party division. The same applies to national and provincial politics in the Dominions; though in Canada and Australia the separation would sometimes be difficult, because the local legislatures have powers concurrent with those of the federal legislature in respect of certain matters. Yet in Britain even more than in the Dominions the party machine which operates in national politics operates also in local politics, the one operation being made to reinforce the other. How, then, can we expect that the opportunities offered by a Britannic parliament would escape the attention of the existing party machines, which might so easily and profitably expand into the new domain? The larger the electoral constituency the better for the machine-made nominee, because in any case the candidate must probably be a stranger to the majority of the electors, and so the advantage of a local standing is discounted. The more distant in time and space the member from his constituents, as when the seat of parliament is beyond the sea, the more easily may his independence succumb to the pressure of the machine. Of all the opportunities yet invented, a federal parliament of the British Empire would seem to offer the party machine the conditions most favourable to its existence and growth. For bursting the machine-made fetters of British democracy, if that is desired, a more hopeful reform would appear to be "devolution" at home, which might keep

legislators closer to their constituents, and might facilitate the minuter division of constituencies ; whereas Imperial Federation would necessitate the opposite. An alternative suggestion, that the federal parliament should be elected indirectly, *i.e.* by the existing national parliaments, need not be discussed in the present context, because obviously this plan would at once place the federal parliament in the hands of the existing machines, without giving democracy any chance to assert itself at all.

FEDERATION AND FOREIGN POLICY

There remains to notice just one other aspect of Imperial Federation in its guise of a panacea for parliamentary ills. Its advocates have sought to enlist the widespread feeling that the foreign policy of Britain has been getting into deep water owing, as some have suggested, to the relaxation of parliamentary control. The Empire is asked to believe that under Imperial Federation all this would be changed for the better, because the federal parliament, being confined (*ex hypothesi*) to foreign affairs and defence would have plenty of time to deliberate on the former as well as on the latter. Certainly, there should be plenty of time. But one may doubt whether the federalists, in advancing the argument, have really thought out what would be incurred by continuous parliamentary interference in foreign affairs. It could only mean a new diplomacy, "with all the cards on the table." That idea is by no means repellent to all of us, but it would surely involve

a larger revolution than the federalists have suggested. In relation to foreign policy they seem generally to belong to the school so well represented by Lord Lansdowne and Sir Edward Grey, which can imagine no hope of future security for Britain except in one or other of the European camps. But, as Sir Edward Grey has forcibly protested, the diplomacy necessitated by this system of foreign relations is not, and never could be, consistent with continuous parliamentary supervision. If that is desired, a foreign policy of "splendid isolation" would require to be substituted. It might, indeed, be brought about untimely, in advance of the needful preparations, if parliamentary control were resumed at once.

EPITOME

We may now summarise the analysis of Imperial Federation, by which is meant the creation of a federal parliament with an executive responsible to it. Although there has been some appearance of an attempt to force this solution, its advocates have neither understood nor explained the consequences involved. The scheme itself, after twenty years of intellectual effort, remains ill-defined. In one breath it is proposed that the federal authority should be limited to foreign affairs and defence, which turns out to be quite impracticable; and in the next that it should be made wide enough to embrace all those powers of government which may properly be reserved from a Home Rule parliament in Ireland, or, say, a Canadian or Australian province. But in

any case the powers of an effective Imperial Federation would necessarily be too extensive for the present federal legislatures of Canada and Australia to retain their importance. If those legislatures were able to survive at all, continuous wrangling with the new imperial parliament would be their inevitable lot ; creating a friction which does not now exist, and prejudicing the chances of successful inter-State co-operation in respect of matters outside the federal jurisdiction. As a cure for parliamentary decay in Britain, Imperial Federation is found to be partly unnecessary and partly ineffective.

If for lack of an alternative solution Imperial Federation had to be accepted, Canada and Australia, and perhaps South Africa too, would be better resolved into their constituent provinces, which would be much more amenable units than the national States. Canadian statesmanship would thus be relieved of its paramount and increasingly difficult problem, which is that of consolidating the eastern, middle and western sections under the national government at Ottawa, and of impregnating the new populations with Canadian patriotism. To that temperament which was uneasy over the creation of the Canadian Dominion, uneasy at the advent of the Australian "Commonwealth," uneasy at the union of South Africa, and is uneasy now over the Australian naval policy, the dissolution of those nation-States might be welcome as conducive to Britannic well-being. *Divide et impera* : the way would be open for more effective control of rash impulses

or centrifugal tendencies. But the best opportunity was lost long ago, when the Canadian and afterwards the Australian colonies were allowed to effect their local unions instead of being brought severally into an imperial parliament.

CHAPTER IV

BRITANNIC ALLIANCE

WE have now seen how Imperial Federation, so far as its nature and consequences can be analysed in advance, seems to threaten the untimely ending of a promising experiment, by dispersing young and vigorous national patriotisms which were successfully evolving the institutions required for their expression. The tendency in the last thirty years, especially the last decade, has clearly been for the larger Dominions to acquire gradually the status of independent nation-States, constitutionally connected with Britain and with each other through the common Crown and institutions derived therefrom. This separate national development of each Dominion need not seem a misfortune, nor is it yet a failure. Diversification is essential to progress and to harmony, unless it is pushed to artificial extremes. It was once pushed to an extreme in South Africa, when the Boer trekkers were practically forced by the imperial government to set up States of their own in the heart of the territory; and this mistake had eventually to be undone by war. But elsewhere, and lately in South Africa itself, the evils of unnatural diversification have been locally recognised and spontaneously checked

by uniting neighbour colonies into single, composite States. A national sentiment based on geographical unity is thus being substituted—in Canada, Australia and South Africa successively—for the particularisms of race or province which were formerly dominant and always at loggerheads. Up to the present these wider patriotisms, resting on the largest practical conception of a common fatherland—to which an ocean is ultimately a greater obstacle than a desert—have produced little that does not seem good. But they must always require for their healthy growth and activity the fullest opportunities of initiative and responsibility through the exercise of those functions of national government which would be atrophied by Imperial Federation.

WHAT IS AND WHAT MIGHT HAVE BEEN

Within the last fifteen years, being roughly the period of the Imperial Conference, certain developments have occurred to which imperialists generally attach great value. The most striking are, in order of time :—

(1) The Imperial Preference in the Canadian tariff, which has since been emulated by other Dominions until, now, this principle has been established in all of them except the smallest and most “British” (Newfoundland).

(2) The birth of the Australian Commonwealth.

(3) The dispatch of Australasian and Canadian contingents, totalling nearly 30,000 men, to the war in South Africa.

(4) The adoption by the Imperial Conference of

a regular constitution intended to perpetuate its existence as a consultative meeting of governments, and authorising for that purpose such machinery as was politically possible at that time.

(5) The creation of the Union of South Africa.

(6) The adoption in Australia and New Zealand and South Africa (to some extent) of National Service, or compulsory military training.

(7) The vigorous inception of a national and imperial defence policy in Australia, involving an expenditure of over £1 per head for some years at least.

(8) The second rejection by the Canadian people of commercial union with the United States (the first having been in 1892).

(9) The offer by the Canadian government of three battleships to the British navy at a time of crisis in the competition with Germany, at an estimated cost of £7,000,000.

Whatever moral or material value may be assigned to those developments they were produced by Britannic Alliance. Before that system is adjudged inadequate, let us speculate as to what course events might have taken instead had the imperial federalists won their campaign in the early nineties and succeeded in establishing a central government, with powers either nominally restricted to foreign affairs and defence or extended as might have been found necessary.

With regard to 2 and 5, the imperial federalists used to anticipate the local union of the colonies in Australia and South Africa as a desirable preliminary. Yet one may question whether

those local unions would ever have been effected without the driving force of local responsibility for national defence, which must either have been destroyed or at least greatly weakened by Imperial Federation. With regard to 1 and 8, the system of tariff preferences, supposing the federal parliament had been given fiscal power, possibly might have been more uniform and complete. If so, it would have averted the complications which were threatened in 1911 by the Taft-Laurier pact; though without the moral advantage which has actually accrued from letting the Canadian people decide for themselves. But the question remains whether any federal parliament, however well equipped on paper, could in practice have imposed on Britain a fiscal system for which the local politicians were not ready. Implicit faith in the power of mere constitutional mechanism to get things done is a characteristic failing of the imperial federalist school. Reflecting that the federal parliament, if it enacted preference at all, must have enacted it all round, one may conjecture that the inception of the system would probably have been delayed. That is to say, in this year of grace, 1913, no beginning might yet have been made anywhere. All that stimulus of the practical example overseas which has been the mainstay of the Chamberlain campaign in Britain would have been entirely absent.

As regards 3, 6 and 9, the federalists have always attached supreme importance to union for defence. For that in particular do they desire a central government. But it is just in this department

that our present speculation becomes most suggestive of happy escape from a misconceived proposal. Given a federal parliament, charged with providing the defence of the Empire, it is certain that the tendency of the State governments would thereafter be to insist on that parliament or government doing its duty, as locally conceived, rather than to take upon themselves to make good the deficiencies. In the case of the South African war we must assume that the federal government, having dispatched the federal expeditionary force (formerly known as the British Regular Army) would have invited the State governments to raise contingents, probably suggesting to each what would be its fair contribution of men or money. Whether the Australasian governments would have responded with the alacrity which they actually displayed in spontaneous emulation, or whether the Canadian government could have ventured to respond at all, having regard to the feeling of Quebec (which would have been rudely overridden in the new imperial parliament) are open questions. But what cannot be regarded as an open question is that the existence of the federal government would have precluded, up to the present day, the institution of National Service in Australia, New Zealand, South Africa or any other part of the Empire. Australia and New Zealand were impelled to take that plunge mainly by the withdrawal of the British fleets from the outer oceans to the home waters of Britain. The necessity for a strategic concentration, and also the Australasian resolve to exclude the yellow races, would have

existed under Imperial Federation no less than in the actual circumstances. But instead of being stimulated by their conscious isolation to a vigorous policy of self-reliance, all the energies of the Australians and New Zealanders would have been diverted into an agitation against the policy of the federal authorities, and a clamour for the naval reoccupation of the Pacific. Some sop perhaps would have been thrown to them in the form of an obsolescent squadron for local show. But at least it seems certain that the governments of Australia and New Zealand would not in those circumstances have initiated the policy of National Service; and that the federal parliament for its part could not have ventured, had it the legal power, to suggest that the Commonwealth and New Zealand should be burdened with a system of compulsory military training from which Canada and Britain would be exempt. Once more, under Imperial Federation the laggard must fix the pace for all. It would have to be a matter of all or none, and therefore in practice it might easily be none. Such is, perhaps, the real meaning for the Empire of that "unity" which might be achieved through central government.

Having so far escaped that pitfall, the world to-day sees the spectacle of those very States which were least expected to do so giving a lead in National Service, and thereby making it probable that, as in the case of Preference, the system will presently become general. Whatever value there may be, either to imperial defence or to Britannic civilisation, in the Australasian example of National

Service, that example has been the outcome of Britannic Alliance and could never have come out of Imperial Federation.

NAVAL REFORM

It is more difficult to conjecture what might have been the naval position of the Empire in its competition with the Triple Alliance, had Imperial Federation been achieved in the nineties. In the Dominions, with their constant need of money to expend on "development," the "little-navy" school would have been well-established in imperial politics before the German menace began. Remembering the reluctance of the Dominions, until recently, to face taxation for naval defence, one cannot assume that Imperial Federation would have sufficed to prevent the German challenge being made. The same struggle between big-navy and little-navy ideas which has actually been witnessed in the British legislature would probably have been witnessed in the federal legislature, under the influence of what has been called compatriot politics. At the present date, the actual strength of the Britannic navy might thus have been much the same, though the cost would have been differently distributed. On the other hand the strength might have been considerably greater, as the imperial federalists are entitled to believe.

But one thing may be conjectured with rather more assurance. Since the federal Admiralty must have been, substantially, the British Admiralty of the past ten years, there is no reason to suppose that the presence of Dominion representatives in

a federal parliament would have affected those matters which are relegated by laymen to the naval experts—even more readily in the Dominions than in Britain because distance lends enchantment. The “Dreadnought” phase, with all its incidentals, would have come on just the same. Throughout the Empire public attention would still have been concentrated on the question of ships, to the neglect of the personnel which we are nowadays being warned by our unofficial admirals is much more important really than the “ironmongery.” The same allegations would have become current of widespread dissatisfaction in the lower ranks with the conditions of the service, especially as regards the rates of pay, methods of discipline, and accommodation on board; coupled with a rumour that there is increasing difficulty in finding the large number of recruits now required, which would be a natural consequence of bad conditions. As is actually the case, the imperial government of the day would have been reluctantly forced to the conclusion that something must be done at last. A few readjustments would consequently be made, including some slight increase of pay far short of what is overdue. But it needs no argument to prove that where there is an employers’ monopoly, especially when trade-unionism is prohibited, the wage-earner is less likely to secure a real and continuous improvement of conditions than when some new employers cut in with an offer of better terms. Such competition must tend to raise the standard for the whole trade. To-day, in Britain, alarm is sometimes expressed in private at the recent

appearance of recruiting placards of the Australian naval service, offering higher rates of pay than are current in the British navy. How, it is uneasily asked, can the expanding British navy continue to get more recruits than before, in face of such a competition? The true answer is, one may be permitted to suggest, that if this competition accelerates improvement in the British conditions of service, it may be worth at no distant date a good many dreadnoughts. It is at least possible that without some such stimulus the necessary reforms in the British service might be delayed too long, or not go far enough, to secure the efficiency of the navy in the years ahead.

Nor is it only a matter of paying the men what the wealthiest country on earth should well afford. It is sometimes whispered that the British naval officers can make nothing of the unruly Australian, or even of the patient Newfoundlander, and on this rock the conception of Dominion navies is destined, we are told, to founder. But there is surely another aspect :—

“ Naval discipline has two sides, namely, that which is necessary to get the work done and which dates back to the days of the sea labourer, before steam and machinery ; and that which is an intensification of social distinctions of a hundred years ago, when the tradition and customs of the Royal Navy were mainly created. It needs changing fundamentally, and a progressive and generous policy, steadily pursued through the difficulties which undoubtedly exist, will certainly prove most effective in the long run.” ¹

¹ *The Lower Deck, the Navy and the Nation.* By Stephen Reynolds. 1911. pp. 94-5.

Much more has lately been said to the same effect, that the old system of discipline—not discipline itself—is out of date. One cannot readily believe that men so adaptable as are the Australians to the most exacting or most perilous modern occupations, or so inured as are the Newfoundland fishermen to the worst hardships of a seafaring life, are, either of them, impossible material for a modern naval service. To say so must be to condemn not them but the naval authorities, who would stand convicted of incapacity to do what is being done in every other business, namely, to meet changed times with changed methods. If the Australian and Canadian peoples, undismayed by taunt or difficulty, will set themselves to the task, they can be trusted to evolve eventually a new order, under which their own naval services would not be repellent to men reared in a larger freedom, and the example of which would stimulate the progress of similar reform in that Old Country where long-established tradition has to be accommodated. Such a hope may reasonably be inspired by *Britannic Alliance*; but it could not be inspired by the centralised naval system of *Imperial Federation*. Under the latter, the prospect would be that the Empire's navy would be recruited more and more from the feeblest of Britain's population, and on the "lower deck" would be practically a closed service to the Dominions.

TRUST AND MISTRUST

Enough has been said to throw upon the federalists the *onus* of demonstrating that *Britannic*

Alliance is already a failure. The recent developments in relation to defence, especially the Australian and Canadian naval programmes, have gone far to deprive them of what was formerly their main contention, that without the constraint of a federal system the Dominions would never assume a proper share of imperial obligations. As things are now shaping the prospect rather is that within a few years the Australians at any rate will be taxing themselves on as high a scale as the British for defence, and with just as much (or as little) regard for the maxim that the safety of the whole secures the safety of the part. So potent is the stimulus of example, or the pride of emulation, as has been illustrated yet again by the Borden naval programme, that whenever any one Dominion gives a vigorous lead the sister nation-States may be expected to follow suit before long, and without any of the soreness of compulsion.

There is also the argument that only through federation can the Dominions obtain that effective voice in foreign policy which is admittedly the condition of their enlarged contributions to the common defence. Without federation, it is said, they can acquire no real sense of responsibility. The answer to that was unwittingly given by *The Times*¹ when it lately declared that the system of "divided navies," *i.e.* the Australian policy, was likely "to lead some day to a complete rupture of Imperial ties," owing to the risk of Australia, for instance, imperilling diplomatic relations by the clumsily-directed peace movements of her fleet

¹ August 27th, 1912.

unit. Whatever importance this argument may carry, it signally admits that the peace control of a fleet unit must of itself involve a very real responsibility in the domain of foreign relations ; so real, indeed, that one would think the urgent necessity of Britannic consultation could not be impeded by any deficiency in the existing political mechanism. "Don't let the youngster carry a gun, because he has no sense of responsibility," is an intelligible proposition, and a faithful expression of the old imperialism. But to say, "the youngster should learn responsibility, therefore let him walk by my side while I carry his gun," is merely to impress the lad with the uncomfortable idea that his parent has no confidence in him. Not to confer the fullest responsibility, but rather to restrict it at all hazards, seems to be the true motive, whether conscious or not, of the apparently impending attempt to detach the Australian fleet unit, now approaching completion, from the peace control of the Commonwealth government.

HOW TO INVESTIGATE BRITANNIC ALLIANCE

Assiduous study of federalist utterances has not revealed any convincing argument against Britannic Alliance so far as either the past or the present condition of the Empire can be invoked. As yet the most serious blow to that conception is one of which the federalists have made little, perhaps because the incident accorded with their own ideas. It will be noticed more fully later on, so as not to interrupt the thread. The federalists themselves seemed to come very generally into line with the

autonomist school in the anxiety which was created by the Taft-Laurier pact, and in the sense of relief when the pact was rejected by the Canadian people. But on their own theory they ought not to have felt worried at all about that proposal, which was a mere matter of trade arrangements, a subject of so little importance to imperial unity that it would have been outside the scope of a federal parliament (restricted to foreign affairs and defence). Setting aside, however, that momentary lapse—when instinct got the better of intellect—the federalist argument nowadays seems to consist largely in posing all sorts of hypothetical conjunctures of future events, in which Britannic Alliance would inevitably break down. Such conjunctures would presuppose the failure of the precautionary measures which belong to the scheme of Britannic Alliance, but which the critics are generally content to ignore altogether.

A more rational method of examination, now to be instituted, will start from that form of alliance which is already familiar in international relationships ; will note the limitations or weaknesses which restrict the scope of its application and impair its stability ; and will then inquire whether it may not be possible to develop a Britannic Alliance free from such defects. In general, the difference between the two conceptions of the ideal United Empire may be summarised by saying that, whereas the federalist plan seeks to attenuate to the utmost the principle of federation, the autonomist plan seeks to develop to the utmost the principle of alliance. Limited federation, or unlimited

alliance ? Written bond, or mutual trust ? Those are the alternatives to be canvassed.

THE ECONOMICS OF ALLIANCE

The ordinary form of international alliance is familiar enough in contemporary examples—the Triple and Dual Alliances, the Anglo-Japanese Alliance, the Triple Entente. The essence of the arrangement seems to lie in its feature of limited contract. Certain common or mutual interests, and certain contingencies in which those interests are to be upheld by joint force, are specifically defined, generally in a written document. The limited liability betrays a certain point of weakness which militates against the permanence of the arrangement. Whereas the primary function of the State is to secure economic opportunities for its people, these foreign States in alliance are, apparently, only able or willing to help each other to a strictly limited extent in regard to that vital interest. Outside the agreed limits, which are generally very narrow, each exercises its primary function independently. Sooner or later their independent quest of economic opportunities may be expected to bring one or other of the allies to a point where some different and possibly conflicting combination seems essential to its primary interest, and so the alliance becomes obsolete and breaks down. If economic divergence has been found to operate against the stability of the modern dual monarchies—which represent the nearest approach as yet to the conception of alliance in perpetuity—the same tendency will naturally be present in those

looser forms of alliance where the decisive influences may not be equally apparent on the surface. Yet a certain recognition of the dependence of foreign policy on commercial interests may be detected in the special financial or commercial relationships which often co-exist with military agreements. Needless to say, the first economic requisite is always peace, except for a State which is so inadequately endowed with economic opportunities that the hope of expanding them abroad by war may seem worth the temporary dislocation of those it already possesses.

Alliance in perpetuity would imply, therefore, a *complete pooling of economic opportunities*, so that each ally would always and equally be interested both in the defence of the existing common stock and in any proposal that one or other might make for increasing it by adventure abroad, whether of a military or of a pacific kind.

THE BRITANNIC OPPORTUNITY

To postulate a complete pooling of economic resources is to indicate that, in practice, permanent alliance can very rarely be possible. It is not in the nature of independent States and mutually foreign communities to contemplate, still less to undertake, so drastic an abnegation of their traditional ideas and habits. The British Empire, at the present stage of its career, offers the only large-scale example of that potentiality. Its autonomous nation-States are of recent growth, with the exception of the parent State. They not only own allegiance to one Crown, but are still content to

recognise one supreme court of law, which is evidence of a certain common basis in their conception of civic rights and duties. Their sundry antagonisms, which arise through differences of race, tradition and language are found to yield, slowly but surely, to a common conception of life and conduct which has been essentially British and which tends to permeate both their work and their play. Therein, perhaps, lies the most important, ultimately, of all the enabling conditions of perpetual Britannic alliance. The ultimate purpose of the State is to produce the highest type of citizen. Its primary function, directed to that purpose, is to enable the individual to live, but only as a means to his or her moral advancement. States united in their ethical ideas will more readily pool their economic opportunities than States which recognise a community of aim only up to the point, albeit a necessary first stage, of securing a living wage to producers. The ethical conceptions of individual freedom, of doing work for the sake of useful work well done, of "playing the game" rather than of winning at any price, may or may not be better than others in the view of cosmopolitanism; but they have been the British ideals, and by becoming Britannic ideals they remove all limits from the possible scope of Britannic alliance.

ECONOMIC UNIFICATION

In order to translate this conception into terms of policy, the first requisite is to understand what exactly is meant by such a pooling of economic

opportunities as would prevent the tendency to divergence in the external interests of the several States. The practical application may be considered later on; for the present we shall be concerned only with principles. The position contemplated is to be such that any economic advantage capable of being acquired through foreign negotiation would be available equally to all the Britannic peoples. This seems to postulate theoretically, a complete absence of restriction on the movement not only of capital but also of labour within the area of the commonwealth. In the case of capital, which generally migrates in the form of commodities of some kind or other, the aim could not be completely secured simply by means of reciprocal freedom from import duties. Besides these artificial or statutory impediments, there is the natural impediment of the physical distances which separate the Britannic countries. In the old days this feature used to be described by economists as a "natural protection" to local industry. To a large extent that is still the position, despite such facts as that a pound of butter or of meat is carried from Melbourne to London at about $\frac{1}{2}$ d., which is less than the railway rate between points in Britain, so that the "natural protection" has actually turned into an adverse subsidy. Without an uniform charge for transportation, irrespective of distance, complete economic unification cannot be achieved as between different districts in the same country, still less as between the ocean-sundered Britannic countries. But just as a system far short of ideal perfection is found to

answer the political purpose of economic unification within the State, so in the case of Britannic union the political result might be gradually secured consistently with a still crude, but improving, system of communications.

From the standpoint of Labour, including all that great majority of the population which can only live where the employment is, this question of transportation is not secondary but vital in the problem of economic unification. Opportunities in the Dominions are of little value to the British working man if the cost of getting there with his family is prohibitive to him. Under present conditions it is nothing to him that work is more plentiful and wages are higher overseas than at home. His normal interest in foreign policy, and eventually the foreign policy of the government (if it is faithful to his interest) practically are limited to the question of maintaining and improving the wage-earner's prospects at home. A British policy devised to that end—*e.g.* an attempt to prevent China from raising import duties on manufactures, or to extract financial concessions from her as the basis of trade contracts—may be not only of no interest but positively objectionable to his fellow-citizens in the Dominions, who as protectionists cannot recognise the morality of it, and who at present could never be tempted to migrate by the wages-rate and social conditions in Britain. Conversely, a Canadian foreign policy by which an industry in Canada might secure favoured entry to the American market, could not appeal under present conditions to those in Britain who

might take advantage of the Canadian opportunity were they not debarred by the difficulties of migration. A drastic reduction of ocean traffic rates, aiming ultimately at uniformity between all Britannic ports, seems therefore to be necessary to the policy of economic unification.

All the arguments affecting transportation apply with equal force to those mail and telegraph services which are ancillary to the migration of persons and the carriage of merchandise. Already a letter may be sent at the uniform rate of one penny between almost any two points within the Empire—a fact which few could have contemplated fifty years ago—so that in this detail economic unification is nearly attained. Modern developments of telegraphy are not of a kind to suggest that there is anything chimerical, or even remote, in the supplementary idea of sixpenny telegrams between any two points; especially if the political importance of such a service is recognised to be so great that, as in the case of the navy and army, it should be established irrespectively of direct financial remunerativeness.

But the policy of free trade between the Britannic States cannot be dissociated from that of mutual preference as against the trade of foreign countries, even when the subject is being considered strictly from the standpoint of unity in respect of foreign relations. The commercial purpose of mutual preference is to secure to the Britannic peoples, individually and collectively, the largest share they can absorb of the Britannic markets. If the economic exchanges by which they live are mainly

internal, *i.e.* within the area of their collective territory, it is clear that their respective governments will be more interested in Britannic conditions than in conditions abroad, at least until the utmost use has been made of the Britannic markets ; just as the United States had no positive foreign policy until the expansion of their manufacturing industries forced the government to take a definite line in relation to China, and elsewhere. That is to say, the foreign commerce of the Britannic alliance would be secondary to its internal commerce, and thus the scope of possible divergence in foreign policy would become more restricted than if foreign markets were more important than the domestic markets. Further, peoples closely interested in each other's welfare, as when they are consciously helping each other to live, must necessarily feel more concern for each other's immunity from the disasters of war than peoples who are not mutually dependent to the same degree. When the German Emperor took his stand "in shining armour" beside his Austro-Hungarian ally in 1910, it was to Germany's economic interest that the national policy of Austria-Hungary in respect of Bosnia and Herzegovina should be achieved without the devastation of war.

ILLUSTRATION FROM CANADA

It was surely no accident, but a statesman's fate, that conjoined Sir Wilfrid Laurier's acceptance of American reciprocity with his definite declaration to the Imperial Conference, a few months later, that his government did not wish to be consulted

in regard to Britain's foreign policy generally. Nor, conversely, was it any accident that his successor, Mr. Borden, associated his alternative policy of Britannic reciprocity with that of systematic consultation in respect of foreign affairs. If the Canadian people were to depend mainly on the United States for their economic opportunities, that was the Power with which their government would more naturally try to concert an alliance for foreign policy and defence; though even at Washington the Canadians must eventually have encountered the difficulty that consultation in foreign affairs could only be nominal for any partner who brought no naval or military support to the joint diplomacy. In a memorable phrase the First Lord of the Admiralty (Mr. Churchill) likened Mr. Borden's presence in London, in the summer of 1912, to the touch of the hand of a strong friend in time of trouble. Many Englishmen, including some imperialists who had toyed with the notion that foreign policy is independent of trade policy, must have reflected then that had American reciprocity won the day there would have been no touch of Canada's hand in that hour.

Under the influence of that episode the idea seemed to penetrate more widely than before in Britain of some intimate connection subsisting between the trade policy of a country and its international affiliations; particularly in the case of a young country still in the making, with its patriotic tradition not yet formed. If a well-established national consciousness might defy for years, perhaps for all time, the disintegrating pressure of

economic temptations, in the case of Canada an exceptional immaturity of national sentiment was confronted with an exceptionally seductive temptation. The Canadian territory is divided physically into three separate segments—east, middle and west—separated from each other by wide intervals of non-settled country. Canada East has its well-established Canadian tradition, securely rooted in a tradition of struggle and sacrifice. Canada West, on the Pacific slope, being an old British colony, shares with Canada East an indigenous attachment to the idea of Britannic unity. But the middle, the region of the prairies, did not begin to attract settlers before the eighties, and until recently the stream of immigration, mainly Canadian and British, was exiguous. Then began, about 1905, the inrush which still continues and is not likely to be abated. Of this vastly increased immigration only about one-third brings with it any British, Canadian, or Britannic sentiment. The other two-thirds is foreign, about half consisting of Americans, who are of a better class socially than the remainder, the Europeans, who are said to be politically amenable as sheep to any determined leading or driving. The task of assimilating this strong foreign element to Canadian or Britannic ideals would in any case be a more formidable one of its kind—having regard to the numbers on either side—than has ever been attempted elsewhere. It might well become impossible if the pull of a north-and-south trade system began to be exerted against that idea of an east-and-west political unification which the laboriously created

lines of east-and-west railway were designed to subserve. Until the Canadian sentiment becomes firmly established on the prairies, the American settlers cannot fail to be influenced by the striking contrast between the imaginary boundary line to the south, dividing their new home from their fatherland, and the real physical barriers to the east and to the west. Surely no more powerful obstacle could be erected to thwart the spread of pan-Canadian nationalism than a trade system which would separately attach each segment of the country—and the middle segment first—as an “adjunct” to American centres south of the boundary, teaching the new populations of the Canadian provinces to look in that direction for the satisfaction of their primary interests in life.

But in Britain the sudden perception of the danger, and the dramatic sensation of relief when it passed away, were only for those who did not understand how long and earnestly Sir Wilfrid Laurier's government had striven for that Britannic trade policy which alone could justify the conception of Britannic alliance-in-perpetuity. The unwitting surrender, if such it virtually was, of the Britannic ideal did not come until successive Canadian overtures to the government in Britain had been rebuffed, while the Unionist opposition were seen to be trifling with the vital policy, subordinating it always to their party manoeuvres. Ignoring all the period between 1897 and 1907, during which the Canadian government were doing everything in their power to obtain Britannic reciprocity without appearing to dictate, imperialist

critics in Britain have too often been willing to blame Sir Wilfrid Laurier for a "separatist" attitude which he only developed, if at all, under the compulsion of events determined in Britain. Against that compulsion, were it allowed to continue, no Canadian imperialism could ever prevail in the long run. If free-trade Britain must sacrifice the Britannic ideal to the exigencies of her economic policy, the protectionist Dominions must perforce do the same; because the conflicting trade systems cannot establish common aims or common methods of negotiation in dealing with foreign countries.

To illustrate that point, consider for a moment the strange position of his Britannic Majesty, had the Taft proposal been ratified by the Canadian electorate and become a precedent. Advised by his Canadian ministers in Canadian negotiations he would have had to uphold the doctrine that "concession for concession" is necessary for implementing the privilege of "most-favoured-nation" treatment. But advised by his British ministers in British negotiations he would have continued to uphold Britain's peculiar contention, necessitated by Free Trade, that the most-favoured-nation clause automatically entitles his subjects to the best terms granted to any other country. That is the kind of position which makes "dual monarchy," or any similar association of governments, impossible to continue.

While the reciprocity campaign in Canada was attracting the attention of the Empire, it happened that in Britain successive episodes of

"labour unrest" were enforcing the lesson that the real unity of the State, *i.e.* the willing co-operation of all classes for the common welfare, depended on the success of the government in securing for the people adequate economic opportunities. Thus in both the British and the Britannic spheres of politics the outstanding events of that time were illustrating the self-same principle, which is equally the clue to the problems of national and of Britannic unity. Economic interests are primary, and the State, Empire or Alliance which ignores them must depend for its stability upon its power to repress disruptive tendencies by armed force.

"THE GREAT ILLUSION"

Whoever nowadays approaches the discussion of this question has to take account of that theory of international relations which has been developed lately under the title of *The Great Illusion*. Perhaps the main importance of Mr. Angell's work, viewed in connection with the Britannic problem, is that it exhibits the principle of conscious economic interdependence rather than that of forcible compulsion (which is the instrument of centralised government) as the true principle of "organic" union in human society. It is in effect a restatement of the Cobdenite theory, of economic interdependence as the way to universal peace, strengthened with the wider range of illustration and the greater cogency of argument which are afforded by the modern developments of International Finance, on the one hand, and of International Labour on the

other hand, both being the outcome of the modern improvement of communications, especially telegraphy.

Mr. Angell argues that this internationalisation of economic agencies has already proceeded so far that it is no longer a possible operation for any State to obtain any economic advantage through the use of force, as represented by armaments and utilised in diplomacy or actual war. This is tantamount to saying that no State which adopts a commercial policy devised to further its own economic interests can thereby inflict any real injury on the economic interests of any other State; because logically the admission that such injury is possible would open the door to the conclusion that such injury might be worth trying to avert or remedy by force. It seems a far-reaching and dubious proposition to maintain—for this is what it comes to—that it is impossible for any change in the economic relations between States to be made under the compulsion of force, or threatened force, without so far diminishing production in one or other country that the trade between the two will be less profitable to the victor than it was before. But if Mr. Angell is right, his doctrine here is comforting to those who, advocating a policy of economic unification for the British Empire, have to meet the objection of the free-trade party in Britain that any such policy would tend to provoke a declaration of war. On Mr. Angell's theory that risk, whatever it may amount to at present, would disappear as soon as the eyes of foreign statesmen were opened to

the economic "truth" which he is concerned to propagate.

Rebutting certain critics Mr. Angell admits that in practice the economic interdependence of the nations must not only be a fact but a fact *onsciously recognised* by them before it can begin to amalgamate them into one world-wide commonwealth. Quite independently, not then having read Mr. Angell's book, the present writer studying the question from the standpoint of the Britannic problem, arrived likewise at the conclusion that conscious economic interdependence, or a deliberate system of mutual aid in living, was the real principle by which communities coalesce into larger "organic" unities, and antagonism between them gives way to co-operation in perpetuity. On this view the clue to the stability of the modern federations, notably the United States and Germany, resides in the fact, not of the central and armed sovereignty, but of the economic union which was previously or simultaneously established, and which was devised to express both the idea and the policy of mutual aid in living. The central sovereignty, so far as it was an essential condition rather than a convenient instrument of the union, has been an accessory, only to be called into use when the attempt at mutual aid in living has broken down; as in the United States when the sectional institution of slavery, a heritage from pre-union days, could no longer be reconciled with the common weal. But whereas Mr. Angell, like the Manchester School formerly, came to regard the principle as one of world-wide application in

the near future, the present writer was impressed rather with its apparent limitations, feeling that certain enabling conditions must be present before the fact, if such it were, of social interdependence could be popularly appreciated so as to become politically effective. To avoid lengthy argument, it may at least be postulated as self-evident that States already united by community of language, historical traditions, political allegiance and ethical conceptions, will have a predisposition which is lacking in States mutually foreign to recognise the possibilities of mutual aid in living, to promote deliberately an economic system with that purpose, and to popularise the idea that this system constitutes the bond of organic union between them all.

A special example of the difficulty which was latent in Cobden's conception but is more flagrant in Mr. Angell's, is in their assumption that the interests of Labour, equally with those of Capital, are so far identical throughout the world at any given time that national boundaries must cease to have any vital meaning for those two great classes of civilised mankind. By their argument the tendency, which can only grow, is for Finance and Labour each to become internationalised, thus forming a horizontal "stratification" of society which cuts across and ignores national boundaries or patriotisms. This conception seems to be true of Finance, but not true of Labour. Even in Europe it is not clear that the modern attempt to internationalise the organisation of Labour has been attended with larger indications of ultimate

success than of ultimate failure.¹ Diversities of language, national tradition, and social custom are found to embarrass the effort at co-operation, with obstacles from which the co-operation of Finance is relatively free. Those national differences are such as to impede the adoption of a common plan of campaign in emergencies and—what is more important—a common standard of tolerable social conditions to accept or of ideal conditions at which to aim. In default of such agreement on essentials Labour remains a camp internationally divided, with divisions tending to be intensified by the very effort to overcome them. In such a situation Finance, already effectively internationalised, has always the better chance of victory, which would mean ultimately for Labour a condition of uniform servitude. Were all obstacles, such as national tariffs and immigration laws, completely swept away, Finance might soon have Labour subjected to a common standard of wages and living approximating to that of the least advanced among the industrial proletariats of the world.

ASIATIC IMMIGRATION

For practical purposes, however, in connection with the Britannic problem, any argument as to the internationalising of Labour in Europe may be disregarded. The real test case, for the Britannic peoples, is the question whether international-

¹ See *The Worker and His Country*, by Fabian Ware (1912), a book which has been appreciatively received by Labour both in France, with which it deals particularly, and in Britain.

isation can ever, in our time, do away with the antagonism between the Asiatic-exclusion policy of Australia, New Zealand, Western America and British Columbia, and the natural desire of Japan and China to have their people admitted to the economic opportunities of those countries. Significantly enough, Mr. Angell has little to say about this outstanding case of reputedly conflicting economic interests. His meagre references to the Asiatic-exclusion policy are such as to suggest that in his view the claims of the British Asiatics ought to be admitted; in other words, that the South African national conception and the corresponding policy of White Australia ought to be suppressed. One need hardly argue that a system of free entry to the British Dominions would be advantageous economically to the Asiatic peoples. Nor need one argue that their free entry must depress the scale of wages and living to somewhere near the Asiatic level, and put an end to their democratic polities. Such an economic result, and the social consequences incidental thereto, might by some be regarded as really to the best interests of the Australasian, American, and Canadian peoples. Quite likely that would be the unhesitating judgment of the world's new saviour, International Finance, which, having already outgrown the petty prejudices of national patriotism, is immune from any nationalist impulse of the well-to-do to champion the less fortunate of their own countrymen. But the *fact* on which imperialists have to base their thoughts in this matter is that Labour in the Britannic States is

separated by an unbridgeable chasm from Labour in Asia, so that as between these two great groups of countries the international "stratification" is not in sight, and national boundaries are certain to remain, together with national armaments in support of national policies. So long as the Asiatic-exclusion policy commands the devotion of Australians, New Zealanders and British Columbians, even if the others did not sympathise with it, so long must the British Empire be organised for war as the condition of its corporate survival. Around the Pacific there is no "illusion" about that.

To sum up the conclusions so far. Economic unification, the enabling condition of spontaneous and perpetual harmony in respect of foreign relations, is found to depend upon the adoption by the Britannic States of effective policies aiming at :—

(1) Inter-State or Britannic free trade, coupled with fiscal protection as against foreign countries ; and (2) the extension and cheapening of maritime communications by ship and telegraph, tending to the ultimate establishment of uniform rates irrespective of distance ; the object of these measures being (*a*) to make the most of the Britannic market for Britannic products, and (*b*) to unify the remaining or foreign commercial interests of the several States.

BRITANNIC RECIPROCITY

By some in Britain the Taft-Laurier pact may perhaps have been regarded as overwhelming evidence of the necessity for bringing back the foreign relations of the Dominions under some kind of imperial control and, therefore, for hastening

with Imperial Federation. To constructive autonomists, on the other hand, it seemed only a striking illustration of the urgency of establishing a Britannic trade system. Were it first in the field Britannic Reciprocity would necessarily limit and condition any subsequent arrangements with foreign countries ; just as the American pact, had it been accepted, would necessarily have limited and conditioned, as was avowedly its author's intention, any subsequent Britannic arrangements. There could be no question, of course, of debarring the Britannic States, all or severally, from seeking commercial outlets in foreign countries. The vital point is simply that, since every treaty or bargain is governed by those which have preceded it, the internal trade arrangements of the Empire should have priority over the external, instead of *vice versa* as hitherto.

As to practicability, if mutual preference between Canada and the United States would be commercially advantageous, even to the extent of complete free trade, much more should a cognate arrangement be advantageous as between Canada and Britain. In the former case the two countries, Canada and the United States, are not naturally complementary to each other. On both sides of the border the natural resources are of the same kind. Already rivals to each other in the export of certain primary products, such as wheat and flour, they are destined at no distant date to become rivals in the export of identical manufactures, the American style being common to both. The semi-tropical produce of the Southern

States is available to Canada in the British West Indies and elsewhere. The only important aspect in which the one country is economically the complement of the other, is that which arises from the accident that the United States had fifty years' start in industrial development—a transitory aspect, too ephemeral to be made the basis of a permanent policy. The argument, again, that the United States is about to cease to be a food-exporting country, and to begin to import food on a large scale, especially wheat, owing to the growth of population, seems to underrate the prospect of obtaining larger yields per acre, and to accord ill with the current report that the latest wheat harvest in the United States leaves a margin for export equal to the entire Canadian crop. In such circumstances it is difficult to see how the diversion of Canadian products to the American centres of distribution could ensure better profits to the Canadian farmer than might be secured by developing the direct routes, east and west and north, to the ultimate consumer in Europe or Asia.

Canada and Britain, on the other hand, are two countries which economically are permanently different from and complementary to each other. In this respect Canada is typical of the Dominions generally. The circumstance that industrialised Britain affords a vast natural market for food-exporting countries goes far to explain why, with the exception of the Newfoundland fisheries and American reciprocity episodes, there has hitherto been no serious difficulty in maintaining a single foreign policy for the Britannic States. When the

Dominions begin to export manufactures the situation may become more difficult, as was foreshadowed in the Taft-Laurier bargain, unless economic unification can be effected in time. But so long as Britain remains pre-eminently a food-importing exporter of manufactures, while the Dominions remain pre-eminently food-exporting countries with a growing demand for imported manufactures—a demand increased rather than diminished by the very success of their protectionist policies in expanding and diversifying their consumptive capacities—the conditions are signally favourable to mutual dependence in trade and to consequent harmony of foreign policy.

Imperial Reciprocity or, more accurately, mutual preference between the Britannie States, used to be regarded as a first step towards a zollverein. That term, however, implies a regular customs union, including the pooling of the customs revenue of each State. The pooling of revenues goes far beyond the conception of Britannie free trade, and is neither necessary to, nor perhaps compatible with, a system of alliance. Discarding the zollverein idea, mutual preference, as a modification of State protective tariffs, seems to be the only practicable way of approaching the goal, Britannie free trade. The greatest existing obstacle to that consummation is, as has been pointed out already, the wide difference between the social conditions of industry in Britain and in the Dominions, especially in Australia and New Zealand where the high standards are buttressed by a body of social legislation as well as by the tariffs. In existing

circumstances the unregulated competition of British manufactures and shipping could only mean, for the Dominions, a levelling down of social conditions to those of Britain. Such a development might, perhaps, appear desirable enough to capitalist interests. But if the industrial uprisings of the recent past are to count for anything, surely their lesson for imperialists is that Britannic union cannot become in Britain the national aim of the twentieth century unless it reinforces the aspiration and policy of the "living wage." So far from being thought to antagonise the Labour movement, as too often happens now, Britannic union should come to be popularly regarded as offering the best hope of realising its general aim. In Australia such measures as Imperial Preference, National Service, and an effective naval policy used to be denounced by Labour, just as in Britain still. But when presently Labour itself assumed the reins of national government, it soon showed that its hostility to "imperialism" had been inspired, not by any dislike of the actual policies, but only by a class distrust of the men who would have administered them. By the Labour government the very measures which were formerly denounced as capitalist plots for enslaving the workers are to-day being vigorously administered as necessary safeguards of the living wage. Since levelling down must be put out of court, the policy of Britannic union entails levelling up social conditions in Britain to the Australasian standard. Otherwise there can be no hope of Britannic free trade and economic unification. Thus the imperial case for Tariff

Reform in Britain is not limited to the taxation of foreign food-stuffs—though that must be the main field—but extends to the protection of all industries against foreign competition, in default of which the upward tendency of wages and the improvement of social conditions can only be retarded.

If mutual preference is the only path to Britannic free trade, it is encouraging to find that of the six States no less than four have already adopted it. The remaining two, Britain and Newfoundland, have been deterred by considerations of foreign trade, but both seem likely to come into line before long. Intent on the American market for fish, the product of her staple industry, the oldest British colony has felt obliged to refrain from a policy which, however congenial it might be to her Britannic sentiment, has been prohibited by the American statesmen, in accordance with their historic tactics of trying to detach that isolated colony, as also the West Indian islands, by effecting anti-Britannic commercial agreements with them severally. More recently, however, the humiliating failure of Sir Robert Bond's retaliation campaign, by which he attempted to force a reduction of the American tariff, and the consequent accession of a different government to power, seem to have given some impetus to the alternative, Britannic conception of trade policy. As to Britain, the real resistance to Tariff Reform is not that which has made the most noise. In the daily press, on the free trade side, an attentive observer may nowadays remark casual but frequent indications that

the ancient cause no longer lives. Out of the welter of Liberal discussion on the reasons for the "labour unrest," the system of free imports emerged in pitiful isolation as the sole surviving emblem of the Cobdenite philosophy. All the rest was ruthlessly repudiated by the most militant of its erstwhile devotees. The idea of combating Tariff Reform with a social policy based on the principles of Free Trade was seen to break down in the first attempts. In framing the Old Age Pensions and Insurance bills the principle of non-discrimination against foreigners had to be jettisoned. While the alien worker is liable to the taxes, the benefits are confined to British subjects. The practical question for free-trade social reformers is no longer whether discrimination in favour of nationals ought ever to be permitted, but whether the policies they have lately launched can be sustained without rigorously restricting the low-class immigration from the European continent, or without some measure of Tariff Reform as well. There has been, it is true, a revival of calculations, as simple in arithmetic as they are puerile in economics, of how many extra millions sterling the poor consumer would pay for his food. In the former instance of the Sugar Convention (1902) the sum was confidently placed at from six to nine millions; which, curiously enough, is also the fashionable amount to predict in connection with the "food duties." But the party which had eagerly fathered that egregious forecast did not care to recall it when their own government, a few years later, having to decide whether the Con-

vention should be terminated or continued, resolved to prolong it for another term.

Greater respect is due to those apprehensions, stronger behind the scenes than on the platform, which come more readily to the responsible directors of highly organised industries than to the wage-earners they employ, and which are aroused by any proposal of legislation likely to increase their costs. From this standpoint every effort to improve the social conditions of industry—whether by such measures as the insurance law or by promoting higher wages through an increased demand for labour—is equally a handicap on successful competition in foreign markets, or against subsidised rivals. But in many cases public sympathy is liable to be destroyed by the eagerness with which the directors are seen to take advantage of prosperous times to inflate the capital of their concerns, thus diverting to speculators, more rarely to shareholders, a fund which should have been available for bettering the conditions of employment, or at least for covering any risks involved by the prospective transition to a Britannic trade policy.

Despite the continuing preponderance of Britain's foreign trade over her Britannic trade, the latter is being steadily strengthened by the increasingly large investment of British capital in the Dominions, especially in Canada. This salutary tendency might, under a Britannic policy, be further encouraged by extending the principle of preference to the investment of capital, *i.e.* by subjecting foreign investments to higher rates of stamp duty, death duty and income tax than investments

within the Empire. Even without any expedient of that kind the increasing popularity of the Dominions with the investing public in Britain is a factor to be reckoned against the veto which the interests of foreign trade and of international finance have tried to impose on the economic policy of Britannic union.

A BOARD OF MARITIME COMMUNICATIONS

In connection with the contemplated process of economic or social unification there might be some scope for that principle of centralisation which has been deprecated in the context of imperial defence. The desired unification could only proceed through the three inter-connected agencies of (1) Trade, in all its forms; (2) Migration, both permanent and occasional; (3) Intercourse, social and intellectual, including both private correspondence and the public press. All three agencies are seen to depend upon the adequacy of the system of communications over and under the ocean, including ship services (mail and cargo) and telegraph services (cable and wireless). Those are services which generally involve the administrative co-operation of two or more governments, and which would necessarily involve close co-operation if any organised effort were made to facilitate communication to the utmost degree. Perhaps the ultimate aim should be to treat the lines of Britannic communication like the national highways in Britain, which are maintained at the public expense and made available to traffic free of charge. Such a conception may seem visionary

as yet. But it is one which will inevitably appeal to the public mind with increasing force if the twentieth century really belongs to United Empire, irrespective of the issue between alliance and federation. No one would suggest that free communication is a policy for to-day or to-morrow. But the time does seem to have come when the task of controlling and promoting the development of our maritime communications might be entrusted, tentatively at first, to a joint board representing all the States. Administrative control of inter-State ship and telegraph services can hardly be brought into the category of those vital functions, such as the control of foreign policy and defence, which no nation-State can transfer to a body outside its own government without sacrificing the essence of national liberty. In the present instance, unlike the other, economy and technical efficiency are of greater practical moment than national sovereignty. A breakdown of the experiment could not mean anything worse than inconvenience, at any rate not servitude. Yet joint control of communications might first be initiated without trenching on national autonomy, so as to leave an opportunity for actual experience to teach each partner whether a definite centralisation would be desirable or whether (to face the other extreme) the tentative step should be retraced.

An actual proposal, based on the fiscal model of the (British) Development Act of 1909, and on the constitutional model, more or less, of the Permanent Commission under the Brussels (Sugar) Convention of 1902, is that two or more of the

Britannic parliaments should vote in advance such an amount as each might think fit for the purpose of maintaining and further developing the trans-marine mail and telegraph communications of the Empire. Each would appoint representatives to a permanent board for administering the funds. In regard to new projects, whether suggested to the board by a participant government or devised by the board itself, the duty of the board would be to prepare a definite scheme, including apportionment of the cost, and to submit it for the approval of the governments concerned. The scheme could be referred back for amendment until an agreement had been reached, when the board would proceed to execution. In every case the board would act only in the person of those members whose respective governments had admitted their interest in the particular project. Following the suggestion made by Mr. Deakin at the Imperial Conference of 1907,¹ a proposal on the above lines has lately been submitted to the Dominions Royal Commission by the Trade Committee of the Royal Colonial Institute.²

FOREIGN POLICY OF BRITANNIC ALLIANCE

A Britannic trade policy of the kind outlined above would appear to mean, in its external aspect, a Britannic foreign policy differing radically from

¹ *The Imperial Conference*, vol. ii., ch. 15. Cf. article by Sir G. S. Clarke (now Lord Sydenham) in *Nineteenth Century*, May, 1904.

² *United Empire*, July, November, December, 1912. January, 1913.

the present one, which is exclusively British. The foreign policy of Imperial Britain has long been directed to securing and defending economic opportunities in foreign markets, where the competition of other Powers for the self-same opportunities has lately developed a condition of continuous friction and high tension, threatening catastrophe. But the foreign policy of Britannic Alliance, representing a trade policy of quite a different kind, would not be governed by the necessities of the old, insular British system. To the Dominions the enlarged opportunity opened to them in the British market would diminish the importance, at least for the time being, of seeking enlarged opportunities in the European, American or Asiatic markets. Since the Dominions have not yet any vested interests of great magnitude in those markets, the fear of foreign "retaliation" need not be expected to impede, on their side, the development of the Britannic trade system. They, at all events, would be content with a genuinely defensive foreign policy, which would not only be moderate in demanding larger opportunities in foreign markets, but would view with equanimity any efforts of foreign States to obtain for themselves preferential opportunities as the counterpart on an inferior scale of the advantage claimed by the Britannic States in the vast potential markets of the British Empire.

The real obstruction to such a change of foreign policy lies in Britain, among those who hold that free trade is vital to the prosperity of the country. They point out that Britain now possesses vast

vested interests in foreign trade—larger interests than in Empire trade. The economic opportunities she has acquired in South America, China and elsewhere, whether by business acumen or by judicious force of naval power, are the source of wages to large numbers of her people and of profit to a large amount of her capital. Therein lies the practical difficulty of discarding the provocative foreign policy of insular free trade, in favour of the simpler foreign relationships which would answer the purpose of Britannic union. Not only are the possibilities of foreign retaliation, and of hostile preferences in foreign markets, genuinely alarming to those who direct the great industries dependent on foreign trade, but the proposal to discountenance further concession-hunting abroad will be distasteful to that influential class of financier which thrives on company-promoting. Yet the fear of retaliation is probably baseless,¹ considering the vital interests which foreign countries have at stake under the British flag, and which would stand to suffer far more from a declaration of economic war than from peaceful acquiescence in the Britannic policy. Though the aim of that policy would avowedly be to secure a larger lion's share of the Britannic market for Britannic trade, its effect in that direction could only be gradual, not sudden, so that no great dislocation need be apprehended. And as to the fear of, for example, Germany getting a "place in the sun" by obtaining preferences in South America, or

¹ For past experience in this matter see *The Imperial Conference*, vol. i, pp. 231-42.

China, or even by annexing territory, one may suggest that the expansion of the consumptive capacity of the Dominions would more than compensate any advantage Germany might gain at our expense elsewhere ; without going on to raise the question of whether it is either politic or just to try and keep Germany in the economic strait waistcoat of the " open door " in " neutral " markets. To the objection that hitherto the development of the Dominions has been comparatively slow, the reply is that the proposed Britannic system would be meant to ensure more rapid results, through the operation of fiscal preference to Britannic investments as well as to Britannic trade, coupled with a larger and steadier stream of migration from the crowded centres of Britain to the undeveloped territories, the whole resting on a network of cheap maritime communications.

" SPLENDID ISOLATION "

Concerned mainly for the security of internal economic opportunities, the logical policy of Britannic alliance would be that of " splendid isolation," the motive having departed for combinations designed to protect the " open door " abroad. In a sense the British Empire and the United States would be exchanging the policies traditional to them. Until recently, the United States, being absorbed in internal development, was anxious and able to maintain an aloofness from world-politics, and to avoid " foreign entanglements." But latterly the huge expansion of its manufacturing industries is seen to have induced a policy of

intervention, of which the first example was given in connection with China, and which is directed to securing commercial opportunities abroad.¹ This new attitude of the United States in foreign affairs tends to reproduce the traditional attitude of insular Britain, under pressure of a similar economic development. But economically the condition of the Britannic States, regarded collectively, is precisely the opposite of the condition of the mother country among them, and rather resembles that of the undeveloped United States in the period of the traditional American foreign policy, with the difference that in our case the extent of virgin territory and resources, in the temperate as well as the tropical zone, is very much greater.

If the new foreign policy would be based on the defence of economic opportunities within the Empire, the question of the Britannic alliance being strong enough to resist the aggression of hungrier Powers would be simply a question of the peoples being willing to make the necessary sacrifices. The same situation might equally arise under Imperial Federation; but with less probability of the sacrifices being forthcoming, if one may take it as true that naval defence requires to be supported by an elastic military power. Military power being politically more difficult to centralise than naval power, alliance would be more likely than federation to meet the military need. Given sufficient patriotism, as in Australia and New Zealand, the Empire could be released from

¹ As explained by President Taft, in his Message to Congress, Dec. 3, 1912. Will his successor be able to revert?

dependence on foreign alliances, its naval and military capacity being potentially equal to the exigencies of "splendid isolation." To the strategical school of writers, however, that possibility has always been mainly a question of getting a centralised authority placed in charge :—

"It is enough to say that the great question, perhaps the greatest question, which has to be answered by the present generation of Englishmen is whether the British Empire is to become a series of independent, though perhaps friendly states, or to make a reality of the military unity which at the present time is rather a sentiment than a practical institution. It is evidently impossible to organise the defences of the Empire until this prior question has been settled, and it is quite impossible until it has been faced to determine properly the policy of Great Britain. If the principle of the unity of the Empire and the unity of its defences is maintained the greatest conceivable degree of security would have been gained for the whole and for every part, and the British Empire could afford, as against the attack of any single power, to steer clear of all alliances and to pursue a policy solely to the immediate welfare of its subjects. . . . Before then, the defence of the British Empire can be placed throughout on a permanently satisfactory footing it seems necessary that the great political question of the century should be settled, and that Englishmen all over the world would make up their minds as to the real nature of Greater Britain."—*Imperial Defence*, by Sir Charles Dilke and Spenser Wilkinson. (1892) p. 54.

The circumstance that the well-known authors of the above passage, written in a book which made its mark twenty years ago, were English Liberals but also special students of military science, serves to remind us again of how constant has been the pressure of military theory in favour of Imperial Federation and against Britannic Alliance. This pressure has never really ceased, even though the

hope of centralising the control of military organisation was abandoned some time ago, and the Empire has begun, since 1909, definitely to organise even naval defence on the basis of alliance. It has become steadily more intense with the growth of the German menace and the increasing tension of the European situation. One cannot feel surprise, therefore, at finding a distinct reaction in influential British circles against that policy of Britannic naval alliance which seemed to be accepted after the Imperial Conference of 1907. In a significant leading article already quoted, *The Times* seemed to revert to the view it held before the meaning of colonial nationalism had begun to be appreciated in England. Contrasting the Australian naval policy with that of Mr. Borden's emergency contribution, it has declared that "naval history is strewn with disasters of allied fleets," so as to support the thesis that the salvation of the Empire lies in centralisation of control. The Australian policy of naval alliance "complicates the constitutional problem to an extent which is likely to lead some day to a complete rupture of Imperial ties." ¹

NAVAL ALLIANCE

Such being the new, or rather the revived, attitude of the most influential school of English imperialism, it requires to be critically considered. The federalists always seem to assume, as in the remarks quoted from *The Times*, that politically and strategically Britannic Alliance could not differ in

¹ cf. p. 136.

anything essential from alliances between foreign States. Politically, we have already seen that a Britannic alliance might differ essentially from any other international alliance by being organised upon a far wider basis of common interests than is normally possible, and that in this difference would lie the possibility of the alliance being perpetual. On the strategical side, the Britannic alliance would similarly be a novel type, having special features, collectively unprecedented, which are already manifest in the initial organisation of the Australian navy. Allied navies which are individually designed as "fleet units" for combined service; which are standardised as regards the types of vessel, guns, and ammunition; which are uniform as regards schools of strategy, officers' training, tactics, and language of command; which are associated constantly in manoeuvres and through interchange of personnel; which are organised throughout with a view to concerted action on prepared plans; and which, finally, are arranged legally to be placed under one control whenever they are required for real or mimic warfare, or even when they meet in foreign waters or on the high seas, obviously represent a form of naval alliance for which no real analogy can be found in any history.

For several years past, the British government (of either party) has been content to rely upon the alliance with Japan, a foreign State with non-Britannic interests and aims, to safeguard the interest of the Empire in the Pacific. It seems a curious instinct, to those who do not share it, which distrusts the potential competence of Australia

and Canada, as States in alliance with Britain, to discharge the same responsibility which has cheerfully been entrusted to foreign Japan. All navies must have a beginning, and less than thirty years ago the Japanese naval power, as also the German, was non-existent. Yet the modern proposals, first in Australia and then in Canada, to begin the creation of a Dominion navy, have been successively received in English quarters with derision of the possibility, and at a later stage with ill-concealed alarm at the impending actuality. More recently, at the very moment when the naval defence of vital Britannic interests in the Mediterranean was being resigned to France, the British press was eagerly applauding Mr. Borden's alleged intention—the wish being father to the thought—of spurning the principle of Britannic Alliance and subjecting the Canadian naval service, whatever shape it might take, to imperial control.

Strategically, then, one may safely conclude that if the principle of naval alliance can be worked in conjunction with Japan and France, *a fortiori*, can it be worked in conjunction with the Dominions. The worst to be said against it is that technically it is inferior to centralisation; theoretically yielding less naval strength for the same expenditure of money, and, nominally, impairing the certainty of all the fleet units being absolutely available in a moment of emergency. On the other side of the account, the superior driving force of national patriotism as compared with imperial compulsion may be noted as a factor of efficiency. Decentralisation, again, might minimise the risk of the whole

system becoming rotten together, or of its being destroyed by a heavy blow at the heart. But strategical arrangements between States are necessarily governed by their political relationships, not *vice versa*. Naval defence is made for the Empire, not the Empire for naval defence. If the political relationship of the Britannic democracies is found to be that of nation-States in constitutional alliance, their plan of joint defence must conform to the political fact. The controversy on this point seems to have revived only because so many Englishmen, while able to recognise that Japan and France are separate nations from Britain, cannot throw off the obsolete conception which is persistently revealed by such misleading expressions as "our Colonies," or "Greater Britain."

Advocates of autonomy are not called upon to work out the practical application of naval alliance within the Empire, because that has already been accomplished in skeleton by the British Admiralty, in connection with the Subsidiary Conference of 1909. Unfortunately the scheme then drafted became abortive as far as Canada and Britain were concerned, owing to the agitation for an "emergency contribution" which broke out in Canada and was zealously encouraged by British sympathisers. Not only did Canada defer her part in the scheme, but the British Admiralty was encouraged to think that, after all, the long-cherished ideal of colonial naval subsidies to be spent at Whitehall need not yet be surrendered to that of Britannic Alliance, as had been assumed in

1909. Nevertheless, the loyal and splendid perseverance of the Commonwealth in carrying out and even enlarging its share of the Britannic programme of 1909, has already created a nucleus of naval alliance, and has compelled the Admiralty to continue its co-operation in working out the many difficult details of joint administration which are inseparable from the novelty of the system. Already enough has been accomplished to illustrate how intimate and comprehensive the naval partnership may become.

As to the strategical disposition of fleets, if the British government was politically able to maintain a squadron in the South Pacific—even in pre-telegraph days—why should it be deemed politically impossible for an Australian government to maintain ships in the North Sea or the Mediterranean? Here, again, the obstruction lies in the habit of mind of the old imperialism. The creation in the Dominions of naval colleges, *i.e.* of a professional naval school, should afford no slight guarantee that the local navies would be of the type and in the position best suited to combined action.

Without diverging into details, just one other feature of naval alliance may here be noted and should be constantly remembered. Alliance does not apportion the naval expenditure among the allies, but apportions instead the naval responsibilities. Thus the programme of 1909 was based on the idea of assigning to the Dominions the naval responsibility of the Pacific—an ocean which, despite the naval axiom that the sea is “one,” remains divided from the permanent station of Britain’s navy by

the space of several weeks' steaming, and is bordered by two first-class foreign naval Powers. When the responsibilities are thus distributed, the naval liabilities of each State or group will be governed, not by any criterion of a "fair share" of a pooled expense, but simply by what is necessary for the efficient discharge of a special duty. Whereas the federalists have postulated a board of assessment, for debiting to each State its quota of a federal budget, autonomists need contemplate only an advisory board of admiralty for reporting on the manner in which each partner-State is carrying out its special part of the agreed scheme. Thus would be avoided the irritating controversy which always attends the contributory system. Recently, for example, in anticipation of Canada's naval "gift," the Conservative press in Britain was assuring the Dominion that British opinion would insist on the contribution being used for increasing the margin of naval security, not for relieving the British exchequer of antecedent responsibilities. But the Liberal press, more probably representing the views of the government, hastened to protest against that statement, and argued that what the Canadians especially desired was to ease the burden of the poor old mother country.¹ Contrast with this bickering the system of alliance under which Britain, equally with the Dominions, would have her assigned sphere of

¹ The stupendous figures of Britain's national wealth suggest that, as far as money is concerned, the "Weary Titan" has not yet begun really to feel the pinch of the expense of naval insurance.

responsibility ; and any local change of conditions, for better or worse, would, in the first instance, affect her alone. There would be no question, for example, of Britain being able to escape the necessity of compulsory military training by summoning battleships from the Dominions to defend her shores. If the part assigned to her required a mobile fleet, ready to find and follow the enemy outside the North Sea, her only resource would be to increase the naval margin in home waters at her own cost ; her allies not holding themselves responsible for the circumstance that Britain is an island very near to Europe. Some years ago the withdrawal of Britain's ships from the Pacific impelled Australia and New Zealand to assume the burden—if such it should be called—of national military training. Not content with withdrawing its own ships the British government subsequently asked and obtained leave to assign also to home waters the battle cruiser provided by New Zealand for the proposed fleet unit in the East Indies. Who can imagine that this plan can continue ? How long will the people of Australasia contribute ships or money in order to save the people of Britain from undertaking the same patriotic duty which they themselves assumed as soon as they recognised the impossibility of an overwhelming naval protection ?

TWO KINDS OF "VOICE"

In order to make clearer what kind of "voice" in determining the foreign policy of the Empire the Dominions might enjoy by virtue of Imperial

Federation and Britannic Alliance respectively, let us take a hypothetical illustration. It shall be based on the following actual facts, viz. : that the government of India still makes a large revenue (over £2,000,000) by licensing the cultivation of the poppy, by buying the product, manufacturing opium, and selling it, through British-Indian houses, to merchants in China : that under existing agreements with China this trade is to be gradually curtailed, and cease altogether in a few years, as the Chinese government desires to suppress the opium habit ; that the Chinese government is alleged to be breaking the agreement by failure to suppress the growth of the poppy in China itself ; that Indian opium, within the quantities still authorised by the agreement, is sometimes destroyed arbitrarily at Chinese ports by local officials ; that the impending loss of revenue, when the trade ceases, has caused anxiety to the government of India, which does not like imposing a new direct tax on the people and is forbidden by the Imperial government to raise the customs tariff, as this would be a tax on the cotton and other trades in England. On the foregoing facts, let us now suppose that presently the Imperial government resolves to enforce its treaty rights, and compel the Chinese government to continue receiving Indian opium so long as any opium is being produced in China itself. Following the usual method, a fleet is to be moved into Chinese waters, and a port will be bombarded if the ultimatum is rejected. The whole business is distasteful to Liberalism—just as was the Persian affair a little time back—

and the Liberal party is still in power. Let us see, then, what would probably happen, under the alternative kinds of Britannic commonwealth.

(1) *Under Imperial Federation.* In the federal parliament questions are asked by private members on the ministerial side, including representatives of all the Dominions. The Foreign Secretary defends the government's action, as in the Persian affair, by arguing that there was really no alternative. The exasperated Liberals take counsel together, only to find that they could do nothing effective without risking a defeat of the government and putting the other side in. The Whips point out that the party is not ready for a general election. Perhaps a whisper may even have spread that if the "cave" persists in forcing a dissolution the party machine will find itself crippled in the election by the withdrawal of financial support hitherto received from certain unnamed "interests" connected with the eastern trade. So the "cave" collapses, sacrificing political principle to party unity. In due course the Dominion Liberals return to their several countries, where violent indignation has prevailed, and try to explain how they wanted to stop the opium policy but were prevented by consideration for party unity and "imperial interests." Certain practical statesmen, in the English press and elsewhere, admit that Australasia and Canada almost look like rebellion; and reflect how wise it was to have all the naval and military forces centralised under federal control. They conclude that colonial opinion is still very crude, but may be expected to acquire sobriety

after a little more experience of international affairs.

(2) *Under Britannic Alliance.* There is no federal parliament, and Britain's Foreign Secretary is conducting policy in behalf of the Alliance. Having made up his mind that China must be coerced, he asks the Canadian and Australasian ministers in London to see him at once, with a view to assembling the several units of the Pacific fleet which these Dominions are maintaining, and ordering the fleet to the gulf of Pechili. He points out that the contemplated "emergency" has now arisen, when the Dominion governments would transfer their respective naval forces to the British Admiralty, and he requests that the ministers will cable for the requisite Orders in Council to be procured immediately. The Dominion ministers, whether Liberal or Conservative, unanimously refuse to recommend the mobilisation of the Pacific fleet for a purpose so repugnant to the national instincts of their people, and only necessary to the Indian revenue because the British government has party interests in free trade. Some other policy, they insist, must be found. What would happen then? According to the federalists, the end might be at hand—the disruption of the Empire, which they have always said would be the political consequence of "independent navies." Autonomists fall back on a larger faith.

Such, for the Dominions, are the two alternative senses of "having a voice" in the policy of the Empire.

AMBASSADORS ABROAD

In the ordinary kind of alliance, with its strictly limited range of common interests, the allied States are always found to continue maintaining separate offices for the conduct of their foreign relationships. Within the narrow limits of the ground covered by the understanding, unity is effected by means of ambassadorial consultation, and concurrent representations to third parties as occasion requires. In contemplating the machinery of *Britannic Alliance* the question arises whether separate foreign offices would likewise have to be maintained by the allied States. Up to the present none of the Dominions has instituted a special office for dealing with foreign affairs. Australia and Canada, however, have departments for dealing with "External Affairs," a category which includes *Britannic* affairs directly and foreign affairs indirectly, *i.e.* through the medium of the British government. But in Canada, under the Laurier *régime*, an irregular method of direct negotiation with foreign countries was beginning to be developed, through the medium of foreign consuls, especially the German consul. In this way the Canadian government was getting into direct touch with foreign governments independently of the British Foreign Office, whose ambassadors would know nothing of what might be going on. This tendency was viewed with alarm by some in Britain, as leading up to a demand for the regular diplomatic representation of foreign Powers at Ottawa, and of Canada at foreign capitals.

Such a development would not be inconsistent with a system of alliance. But it would seem to be unnecessary if the alliance were really comprehensive. Separate ambassadors would imply the existence of separate interests, which is contrary to our present hypothesis. Nor is there any novelty in the conception of one nation-State committing its interests in a foreign country to the legation of another and friendly State; that plan being frequently adopted as a temporary expedient by independent Powers. On the hypothesis of complete identity of interests in foreign policy, the appropriate machinery would appear to consist in the continuous representation of each partner government by some officer in London—or wherever else the capital might some day be—who would discharge, over a much wider field, the same kind of function as the ambassador of a foreign Power, the ally of Britain; together with the appointment of Dominion attachés to the British legations abroad who, in direct touch with their own governments, would advise the ambassador on matters directly concerning them. In a practical view, the fact that Britain already possesses efficient legations, while no Dominion yet possesses any, seems a sufficient reason for proposing to utilise those legations in behalf of the alliance. An eventual alternative, having regard to the potential growth of Canada and Australia, might logically be for the Britannic legation in each foreign country to be maintained by whichever of the allied States had most to do with that country. On that principle Canada would maintain the legation at

Washington, with British, Australian, and South African attachés at the service of the ambassador. The roundabout communication from Washington, *via* Ottawa, to the Britannic council in London, would not be more cumbersome than the existing system, by which communications between Washington and Ottawa are expected to pass through the Foreign Office, and then the Colonial Office, in London. Impatient of the circumlocution, the Canadian ministers who negotiated the famous "pact" at Washington in 1911 developed a practice of direct consultation with their chief at Ottawa, and proceeded without waiting for the British ambassador to inform the Foreign Office of each successive step. For practical purposes, and from the standpoint of alliance, the only real difficulty of this simpler method arose from the fact of an unnatural and preventible conflict of interests between the two allies, Canada and Britain, in regard to the subject matter of the negotiations.

The machinery contemplated is already in prospect. The recent announcement that Canadian commercial agents may be attached to British consulates abroad introduces the principle here proposed for the adaptation of the legations, to which the consular arrangement may well be a first step.

ADAPTING THE IMPERIAL CONFERENCE

As to continuous Britannic consultation in London, after several years of thorough discussion the plan of more frequent ministerial visits from the Dominions, together with the appointment of political representatives (ministerial or other) to

reside more or less continuously, seems likely to be adopted in the near future, and would perfectly fit in with the conception of alliance. In this connection the only point of present controversy between federalists and autonomists is whether the consultations between British and Dominion ministers should be held as meetings of the Committee of Imperial Defence or as meetings under the constitution of the Imperial Conference. Either expedient would admit of forming a standing committee of ministers, of bringing them into round-table touch with the defence experts; and of preserving the closest secrecy, although the Conference differs from the Committee in allowing questions of publicity to be determined at discretion. In the case of the Committee as it now is, the Dominion ministers would attend as advisers of the British Prime Minister, he representing the executive power of an undivided State. In that capacity he not only enjoys the sole privilege of initiative—summoning meetings and determining the subject matter at his own discretion—but also may claim the right, in the name of the undivided State, of rejecting the advice of his councillors, or any of them, without impairing their obligation to accept and assist the policy he finally selects. In the Imperial Conference, on the other hand, the ministers represent co-equal States, not one undivided State. The British Prime Minister, as president, is only *primus inter pares*. As such he enjoys no monopoly of initiative in regard to the holding of meetings or to the subjects of discussion. Nor could his decision bind any government, other

than the British government, unless its representatives had spontaneously concurred. Such being the political difference between the Defence Committee and the Imperial Conference, it is not surprising that federalists, equally with the friends of ascendancy, should have sought to divert the new development of consultation into the chamber of the Committee, in hopes of preserving the germ of centralised control; while autonomists would seek to recover for the Imperial Conference the position it had achieved, before the reaction, as the constitutional nucleus of Britannic Alliance. But the autonomist's aim would be attained if the Defence Committee were forced, by the mere presence of Dominion ministers, to recognise the existence of independent executives within the Empire. In that event, which seems at present the probable outcome, the Defence Committee would have become assimilated in principle to the Imperial Conference, and could then be regarded as a special standing committee of that body.

BRITANNIC SOCIETIES

There remains to consider the one objection to the practicability of Britannic Alliance which can claim the support of a relevant experience. Granted that, with an established system of mutual-aid-in-living, alliance in perpetuity would not be impracticable, how are you going to ensure that the party governments in the several States would loyally carry out the agreements they come to from time to time in respect of policy or administration?

One must admit that this question raises a diffi-

culty which experience has proved to be real. On the whole, no doubt, the resolutions of the Imperial Conference have hitherto been loyally respected, as can be seen by any one who takes the trouble to compare the list of those resolutions,¹ since the Conference began, with the measures taken for giving them effect, so far as legislative or administrative action has been necessary. The delinquencies have hitherto been few. Up to 1909 the only ones of much importance were the failure of the British government to implement the Preference resolution of 1902, which recommended that preference should be given under existing duties, and the failure of the Newfoundland government to implement the same resolution, which was endorsed by it both in 1902 and 1907. There was, perhaps, some excuse for the British government in 1902, because at that time the Conference was still regarded officially rather as a committee advisory to the Colonial Secretary than as a consultative congress of responsible governments. In any case, of course, no government is expected to carry out a resolution from which it has expressly dissented, as did the British government from the Preference resolution in 1907. Some excuse can be made, again, for the Newfoundland government, because it alone of the partners still represents a community of the colonial rather than the national type, so that its sense of responsibility would naturally be of the light-hearted, provincial order rather than the more serious, national order. But in 1909 the Subsidiary Conference on naval defence was followed

¹ See list in appendix to *The Imperial Conference*.

by a deplorable precedent ; when the British government, without offering any explanation, simply refrained from establishing the China and East Indies fleet units which were an integral part of the agreed scheme of a Pacific fleet. Australia, proceeding to create the third unit, as agreed at the Conference, thus found herself left in the lurch. On the faith of the agreement she was establishing a naval squadron which was expressly designed as one unit of a Britannic force, and which consequently was of a type quite different from that which she would have chosen for the nucleus of a separate national navy.

The origin of this delinquency has already been traced to the wave of reaction which was set in motion at the Admiralty, and in other English circles, when the advocates in Canada of an "emergency contribution" were suddenly placed in power by the American reciprocity episode. It may also be attributed partly, perhaps, to the British government finding itself again confronted with the problem of meeting a new enlargement of the German naval programme in the North Sea, without violating the fiscal rules of the free-trade system—which in effect was subsidising the German challenge. However that may be, the fact remains that a breach of faith was committed in a most important matter, and that the Australian government was consequently disturbed with a deep misgiving. The whole principle of the Imperial Conference seemed to be threatened with discredit and rupture—just as the federalists perhaps would desire.

In these unfortunate circumstances it is incumbent upon advocates of Britannic Alliance to explain by what means the several governments of the proposed commonwealth could be compelled to implement their mutual engagements. Ordinary alliances appear to provide no guarantees of the kind required, beyond the power of abruptly terminating the compact or declining to renew it. But in the Britannic instance, where we contemplate an informal alliance unlimited in respect of either time or scope, some definite safeguard against disloyalty does seem to be essential. Perhaps the problem illustrates the principle that the Britannic commonwealth can never be an affair simply of governmental machinery. Governments alone could create the framework, but private activities would be indispensable for making it and maintaining it a living organism. What would seem to be required is some unofficial and Britannic organisation, with strong vigilance committees, for bringing local public opinion to bear, whenever necessary, in any State where the government seemed to be shirking the duty of fulfilling its Britannic commitments. Though no such organisation at present exists, it is interesting to note that the wonderful growth of Britannic intercourse in the last decade includes the upspringing of various non-party societies whose several purposes may be generalised as that of promoting every unofficial form of Britannic co-operation. The vigorous Victoria League, to which there are allied societies in the Dominions, was called into life by the circumstances of the South African war. More recently,

and without any peculiar stimulus, the Overseas Club has sprung up all over the Britannic world and beyond, wherever British subjects can gather together. Other societies also are already in the field. Meanwhile the parent society, the Royal Colonial Institute, has undergone a revival, and now seems alive to its important duty of encouraging, co-ordinating, and extending all efforts of this kind. One who has faith in Britannic Alliance will readily perceive a fact of special importance in the modern growth of these inter-State societies. Therein seems to lie the possibility of an effective guarantee, at no distant time, that when a government has once committed itself to its Britannic partners, that government shall prove loyal. Nor is there any indication that the statesmen or politicians—who themselves are generally glad to be identified with these societies, irrespective of party—would resent rather than welcome the idea of their constituents taking measures to strengthen them against the pressure of sectional reaction or any intrigue of hostile “interests.”

BRITANNIC CITIZENSHIP.

Imperial citizenship ¹ becomes a simple problem when the question is viewed from the standpoint of Britannic Alliance. If citizenship, as distinguished from subjecthood, implies a right of taking part in the government of the Empire, a citizen of any one of the allied States is *ipso facto* a Britannic

¹ See the interesting symposium on *British Citizenship*, initiated by Mr. E. B. Sargent in *United Empire*, and republished by the Royal Colonial Institute, 1912.

citizen, exerting his power upon the commonwealth through the parliament of his own State. Thus Britannic Alliance merely accepts and perpetuates the existing condition whereby each State determines by its local statutes the qualifications of citizenship. Common to them all is, and would remain, the principle that before you can become a citizen you must be a subject of the Crown, obtaining naturalisation if you are an alien. The status of subjecthood will soon be uniform throughout the Empire, if no further hitch occurs in giving effect to the resolution of the Imperial Conference (1911). Subjecthood carries the rights of personal protection against any foreign State, regardless of that State's interest,¹ and of protection against personal oppression within the territories of the Crown. But it carries no right of entry to another country within the Empire; that being always a matter of local regulation. Some years ago, in discussing the imperial problem of Asiatic immigration,² the present writer suggested that the "purpose" of the Empire was the "promotion and protection of nation-States"; a purpose which clearly implies the right of each such State to regulate citizenship and immigration for itself. Under Britannic Alliance the ideal would be, therefore, not equality in rights of citizenship but

¹ E.g., before the South African war the British government claimed rights for Indian British subjects in the Transvaal, which it could no longer claim when the Transvaalers too became British subjects, equally entitled, as such, to be heard by the Crown.

² Journal of the Society of Arts, April, 1908, p. 595.

equality in rights of nation-States, the unit of the Empire being the nation-State rather than the citizen. This conception raises the question of the future of India—which is dealt with in the next chapter—more hopefully than does that of imperial uniformity of citizenship.

UNIFORMITY

Uniformity, indeed, is no part of the ideal of Britannic Alliance, which seeks the truer harmony of diversity. It becomes an expedient rather than a principle. And as an expedient it seems more important in small things than in great—in cartridges than in rifles; ¹ in military tactics than in strategy; in company law than in tariffs; in tariff schedules than in tariff rates; in subjecthood than in citizenship.

EPITOME

We can now sum up the conception of Britannic Alliance. It rests on the theory that in democratic communities the integrating force which tends to make them “organic” ² is not the compulsive power of a central government but the conscious sense of mutual aid in living, of which the public

¹ The Canadian service rifle differs radically from the British, but carries the same cartridge.

² In this context it seems to me that the term “organic” connotes more than “having organs,” which is the simplest definition of it. The term seems to imply a principle of life rather than of mechanism—units spontaneously coalescing so that their several functions are exercised reciprocally to a common purpose, without necessarily evolving *unified* organs for that purpose.

policy must always be an expression if the "unity" is to endure. The unification of economic interests would tend automatically to unify the interests in regard to foreign countries, thus doing away with the necessity of any "over-riding" imperial authority. Applying this principle to the case of the Britannic States there is no call for any new imperial government, any dramatic act of constitution-making, or sudden change of any kind. All that is required is the *deliberate* continuation of developments already well begun on lines which have pointed to a comprehensive and intimate alliance as the future form of Britannic union, with a more fully elaborated Imperial Conference as its organisation.

To add one further consideration, Britannic Alliance would differ from Imperial Federation by leaving the door open for the future adhesion, at any time and in any degree, of other countries to the Britannic system. That, however, may appeal more forcibly to others than to those who detect an exaggeration in Anglo-American 'gush,' and would deprecate any new tie which might tend to promote an assimilation of the Britannic ideals of life and conduct to the blind pursuit of "success" at any price. To those who would safeguard British ideals the best argument for Imperial Federation might be, perhaps, that it would "bang, bolt and bar" the door.

CHAPTER V

THE DEPENDENCIES

IN any scheme of empire reorganisation the place of India, the Colonies¹ and the Dependencies has to be considered from two separate points of view, namely, that of the peoples who inhabit those countries, and that of the Britannic democracies.

Autonomists and federalists agree, we may assume, upon certain fundamental points. The dependent countries are and should remain integral parts of the Empire. Their defence therefore, must be regarded as a joint responsibility of the Britannic peoples ; who, consequently, have a joint interest in their internal administration, because the internal condition of a country must always react both upon the attitude towards it of foreign opinion and upon the *morale* of its own military forces. Beyond that, most imperialists will agree in regarding British rule in those countries as a noble task, hitherto creditably performed upon the whole, and one in which it is desirable that the Britannic peoples should take an intelligent interest and a common pride, because it would tend to

¹ This term is here used to exclude the self-governing Colonies, which are termed Dominions, though Newfoundland is still officially a colony.

elevate the type of citizenship in their own countries by fostering the sense of a high public responsibility. Those, let us assume, are the underlying conceptions as to which there is general agreement. We have now to consider, from the two standpoints of the Britannic States and of the dependent countries, the alternative ways in which federalists and autonomists respectively would shape the future.

INDIA UNDER IMPERIAL FEDERATION

The formula of Imperial Federation—parliamentary union of self-governing States for foreign affairs and defence—seems to exclude from the federal parliament and government the responsibility of imperial rule in India and the other dependent countries. How far an authority which had no control over the administration could really be responsible for the defence of India is a question which, though very pertinent, it seems unnecessary here to discuss. For, remembering the common principles which are taken for granted above, the logical and practical proposal of the federalists would obviously be that the India Office and the Colonial Office should be transferred, along with the Foreign Office, Admiralty, and War Office, from the British to the Britannic government. The ministers at the head of the India and Colonial Offices would thus be responsible constitutionally to the federal legislators, who in turn would be responsible to the Britannic electors, for the integrity and efficiency of imperial rule in all the dependent countries. In the new imperial parliament, with its freedom from the local issues

which clogged the old one, there would be plenty of time for frequent debates on the internal affairs of India and the rest ; debates in which Canadian, Australasian and South African politicians would take part equally with those from Britain.

From the standpoint of the Britannic peoples this would certainly be an effective way of enabling a democracy to govern an empire—the feat which Thucydides said was impossible—India being an empire in the old sense of the term. By this means might be distributed and instilled a real sense of direct responsibility for the welfare of the subject countries. From the standpoint, on the other hand, of the subject countries themselves it is not clear that the change would be altogether welcome. Here the discussion may conveniently be confined to the case of India, which obviously is crucial. It is notorious that in the British House of Commons Indian questions do not generally draw a large attendance of members or evoke any valuable debate. That so little interest is displayed by the Commons in this great imperial responsibility is a complaint frequently heard. But the common explanation that indifference arises owing to the pressure of “parish-pump” matters, with which the Commons are primarily elected to deal, perhaps is only the less important half of the truth. Though the British House of Commons nowadays contains some widely-travelled men, the only members who feel able to discuss Indian affairs are generally gentlemen either ignorant of the country, or who have paid only a flying visit there—though of course there are

sometimes notable exceptions. Any intelligent visitor who stays more than a few weeks is certain to realise that it takes years to understand the history, character, needs and aspirations of an ancient and complex civilisation so radically different in every respect from our own, and embracing the area of a continent with 300 millions of diverse population. Consequently, intelligent and useful discussion of Indian affairs is practically confined to the House of Lords, where it is contributed mainly by the ex-proconsuls who at least have had some years of direct and responsible experience on which to base a judgment of Indian affairs.

So far, the argument only is that the majority of candidates who would be available for election to a federal parliament could not belong to that very small class which alone is competent to criticise usefully the policy and administration of the government of India. It will be replied, no doubt, that the federal senate might be so constituted, like the House of Lords, as to utilise to the utmost that small class of experienced administrators or exceptional students of Indian conditions. But a body of that kind could not be, any more than the House of Lords has been, a means of bringing home to a democracy its political responsibility in the same way as an elective chamber. For that reason, among others, the elective principle has usually been preferred for the senate on general grounds by the federalists, especially overseas, as in Sir Joseph Ward's scheme.

THE INDIAN STANDPOINT

But a stronger objection to the proposal comes into view when we transfer our standpoint to India itself. The British civil service there and the higher class of native residents, which alone can be looked to for any weighty expressions of Indian opinion, do not generally welcome the interference of the British parliament. What they resent—as people in the Dominions may easily understand—is not so much the principle of criticism or intervention, as the ignorance of facts and lack of real sympathy with which they have learnt to associate the application. They do not like their country being made a party catpaw, as would equally happen to it under a federal parliament of the Empire. But whether the disrepute of parliamentary intervention is justified or not, a new system has lately been launched which is ultimately incompatible with it. The avowed aim of imperial policy, especially since the Liberal party has been in power at Westminster, is gradually to bring the government of India more and more under the influence of native opinion. That was the proclaimed purpose of the big reforms initiated by Lord Morley, giving a larger measure of native representation in the viceregal and provincial councils. Now, we cannot have it both ways. If the administration of India is to be influenced more and more by native representations at Delhi, it must be influenced less and less by British or Britannic representations at Westminster. It is true that the Morley reforms seemed

to be accompanied with a contrariwise tightening of the imperial reins, in accordance with the general tendency at this time towards bureaucratic government in England. But if, as the symptoms so far indicate, the new concessions in India are going to be used effectually, the ultimate tendency can only be for the government of India to advance towards a position of autonomy. In other words the functions of stimulus and restraint, approval and censure, will be exercised by the councils in India, not by any parliament thousands of miles away. But if one is right in thus assuming that in India both the aspiration and the tendency are towards autonomous government (*i.e. government free from external interference in internal affairs*) Imperial Federation could only appear as a system calculated to prevent that development by restoring, aggravating and stereotyping an earlier situation which had happily begun to dissolve.

INDIA UNDER BRITANNIC ALLIANCE

To autonomists the notion of Indian autonomy (in the limited sense which is defined above) will come with no shock. Owing to the reasons already indicated the idea of making direct parliamentary control a permanent institution may be abandoned, as being inimical to the future progress of the Indian polity towards some special system of representative government. Under *Britannic Alliance* the British government would at first remain technically responsible for the administration of India. But, having regard to existing tendencies, we may expect that its responsibility for

the internal condition of the country would eventually be limited to sending out suitable men as viceroys, giving them a free hand afterwards to work out the destinies of the country in conjunction with the indigenous councils, who would supply the real check upon their action. Under this system the Governor-General of India would be in a position rather resembling that of the Governor-General in Canada, leaving out of account the difference between representative and responsible government, which involves an internal rather than an external aspect of his position. In India it would be part of his duty to see that the military organisation—of which, be it remembered, Indian taxpayers pay the cost—was such as was deemed requisite by the Defence Committee of the Imperial Conference, having regard to the foreign policy of the Britannic alliance. Under present conditions he is technically responsible to the British government and parliament. But already the British parliament's right of control has been seriously invaded and weakened. The momentous decision to transfer the capital from Calcutta to Delhi was made the personal act of the Emperor himself. As such it became an irreversible *fait accompli* before ever parliament heard of it at all. The British government which bade the King do that, in effect destroyed, wittingly or unwittingly, its own claim to dictate the policy of the government of India, because the executive which thus abnegated the privilege of parliament was wrecking the only foundation of its own right to govern. After this, it would be only a small

step further for the Emperor to rule in India through his viceroy, without recognising the claim of another of his governments to interfere between them. In Canada the appointment of the Duke of Connaught, a royal prince, seemed to accord with Sir Wilfred Laurier's contention (which, moreover, is endorsed by the wording of the capital resolution of the Imperial Conference in 1907) that the Canadian government is "His Majesty's Government" equally with the British government, so that in regard to Canada the Canadian ministers alone have the right of advising the Crown. In the same way, under the ultimate position here envisaged, the Indian government alone would have the right of advising the Crown in Indian affairs. In other words, for the internal administration of India the viceroy, as he would then be, would be responsible to the Crown alone. But if, in the interests of the Britannic peoples and of India too, the King required advice as to the appointment, instruction, reprimand or recall of an Indian viceroy, the advice should be that of the Imperial Conference, *i.e.* of his independent governments collectively rather than of any one government among them. Under this system the right of interpellation as a nominal means of checking the viceroy's independence would equally belong to each of the Britannic parliaments.

In contrast with Imperial Federation, the outstanding feature of the autonomist plan would be, from the standpoint of India, that it left the door open to a progressive development from the present status of dependency of Britain to one approxi-

mating to partnership with the Dominions and Britain. Be it remembered that "autonomy," in the sense here adopted, has nothing to do with the precise form of internal government. A pure despotism and a pure democracy would equally be autonomous if the government in either case had complete liberty to manage the internal affairs of the country without interference from outside. Had the government of India such liberty to-day, its first use of it would probably be to establish, in accordance with the officially admitted demand of Indian opinion, a system of Protection; though possibly it would be modified by imperial preference, in which case it would be the same as the recognised Britannic policy. The autonomy of which that would probably be the first expression would facilitate the admission of India to equal representation on the board proposed for controlling the maritime communications of the Empire, and on all the committees of the Imperial Conference other than the one charged with foreign affairs.

But Indian autonomy could never be the same as that of a Britannic nation-State, unless and until the government of India likewise had power over foreign policy. In the case of the Britannic alliance the guarantee of perpetual harmony in foreign policy would consist, as we have seen, in a steadfast policy of economic and social unification. Into that Britannic union India has not the potentiality of entering. The enabling conditions of social unification with the Britannic peoples are not present. With their own immemorial civilisa-

tion, traditions, and indigenous ideals, all essentially non-European, and with their widely different standard of living, all of which differentiate the Indian peoples from the Britannic, a free exchange of population is not easy to contemplate. The Asiatic-exclusion policy of the North American, Australasian, and South African democracies is not based on any evanescent fallacy. If, under a national policy, India became again a great manufacturing country, free exchange of merchandise might also become politically difficult. This impossibility of economic or social unification would mean the probability of divergence, sooner or later, in foreign policy, were the government of India made fully sovereign. The Britannic States would require, therefore, to retain control—supported by military force—of the foreign relations of India for as long a future as can be foreseen at present.

The moral and intellectual interest of the Britannic democracies in the administration of India would have to be satisfied by other means than that of trying to govern the country through any suzerain parliament. British experience shows that a genuine interest in Indian affairs is manifested mainly by those of the home-staying people who have personal connections with India, whether through trade or, more disinterestedly, through having relations or friends in the civil or military services there. To open those services more widely to cadets from the Dominions would be the most practical way of diffusing the desired sympathy; trusting also to the educational influence of newspapers and magazines, which nowadays are

ever increasing their power for good and for evil.

ASIATIC RESTRICTION

An incidental advantage of the Indian autonomy here contemplated is that it should do more than anything else to reconcile the people of India to the Asiatic-restriction policy of the Dominions. The government of India would be free to compensate that disability with a corresponding economic policy of "India for the Indians," by means not only of fiscal legislation but by regulation of shipping as well. It is a common mistake in Britain to imagine that the Dominion peoples would flare up at any attempt on the part of India to treat them reciprocally in the matter of restriction. The truth seems to be just the contrary. They would rather welcome the attempt if by its acceptance their own right of regulation would be definitely recognised within the Empire. As may be seen from Sir Joseph Ward's suggestions at the Imperial Conference in 1911, and, more recently, Sir Richard McBride's remarks¹ on the policy in British Columbia, prominent statesmen in the Dominions absolutely recognise the right of the people of Asia to reciprocal protection of their indigenous civilisation and economic interests within their own zone.

In practice, however, there would be little likelihood of any merely retaliatory policy on the part of India. The economic fact is that Europeans are welcome not only as visitors but also as residents in Asiatic countries, for the sake of the money

¹ New Year Message, 1913.

they bring in and the lead they can give in commercial organisation; whereas Asiatic residents, who are generally drawn from a lower class of their native society, are unwelcome to "European" communities owing to the money they take out and the impediment of their cheap labour to the progressive advance of industrial and social standards, let alone the impossibility of assimilating them to western democracy.

THE WEST INDIES

Next to India, the West Indian group of Colonies is the most important among the British dependencies. Did space permit, it would be pertinent here to recount the painful story of the West Indian trade question; the long tussle between the sentiment of loyalty to Britain and the economic attraction of American "annexation," illustrating unmistakably the powerful influence of economic interests in determining the external affiliations of a community, and exemplifying vividly the vital importance of speedily establishing a Britannic trade system. Thanks to Canada, and particularly to Mr. Borden's government, some practical steps have at last been taken to make the Empire subserve the primary interest of those long-suffering colonies. Applying the same line of reasoning as in the case of India, but without tarrying to trace the effect of the manifold differences, a West Indian confederation comes into our horizon as another more or less autonomous unit, specially important to the Britannic alliance by reason of its commanding position on the new trade route of the Panama Canal.

In Africa and elsewhere the Colonies, generally speaking, are at a lower stage of development, being inhabited mainly by primitive peoples; or else are too small for autonomous development. For them the existing system of parliamentary control, with all its attendant evils—though possibly these are reduced in proportion as the smallness of the colony tends to make the British politicians forget its existence—may appear less obsolescent than it does in the cases of the Indian Empire and the West Indian group.

EPITOME

To epitomise the outlook for India and the West Indies, whereas Imperial Federation would tend to aggravate and perpetuate an order which is already obsolescent, and which restricts the opportunity of their political development, Britannic Alliance offers to them the prospect of steady advance towards national autonomy within the Empire—a gradual approximation to the status of the Britannic allies.

CHAPTER VI

THE NEW PHASE

IN the preceding chapters the first symptoms of the revival of Imperial Federation, as an immediately practicable and desirable solution of the Britannic question, have been noticed in the attempt to repress the Imperial Conference and in Sir Joseph Ward's proposal in 1911. Since then—since, in fact, the foregoing chapters were written—two more incidents have occurred which strikingly illustrate the new phase. The one is the introduction at Ottawa¹ of Mr. Borden's "emergency" naval bill. The other is Mr. Bonar Law's speech at Ashton-under-Lyne, with its remarkable consequences in the political world. Mr. Borden's proposal was federalist in motive and character, but autonomist in method. Mr. Bonar Law's was federalist not only in motive and character but also in method. A consideration of those two successive and connected proposals may throw some light on the public attitude towards Imperial Federation and on the probable working of that system in practice.

MR. BORDEN'S NAVAL BILL

An obvious mark of federalism in Mr. Borden's

¹ December 5th, 1912.

pronouncement was that he discarded the plan of Dominion fleet units in favour of that of naval centralisation under continuous imperial control. National autonomy in the domain of naval defence, and consequently of foreign policy, seemed to be set aside. It is true that Mr. Borden was careful to insist that the offer of three dreadnoughts to the British government was strictly an emergency measure, an attempt to satisfy the popular demand for rendering immediate and effective aid, and was in no wise to be regarded as a first instalment of the permanent naval system of the Dominion. Nor should one omit to notice the specific reservation of power to the Dominion government to recall the ships in the event of their being required for a Dominion navy. But in his speech Mr. Borden intimated his own preference for the principle of naval centralisation, which seems to be impossible as a permanent system without Imperial Federation. Quite logically, therefore, he argued that before the permanent naval policy of the Dominion could be devised the question of the future constitution of the Empire must be *finally* settled. "We invite the statesmen of Great Britain," he concluded, "to discuss with us this real problem of imperial existence." Thus the Prime Minister of the senior and largest Dominion, following the example of his ex-colleague of New Zealand, has made a public overture for the Britannic discussion of Imperial Federation, in a manner which seemed to display his own inclination for that solution: and he has even seemed to suggest that the further progress

of Britannic co-operation should be held up until this huge question has again been reopened, and settled *finally*.

But if Mr. Borden's proposal was federalist in motive and character, his manner of introducing it was strictly autonomist, and this attitude was faithfully reciprocated by the government in Britain.¹ Having argued that it was Canada's interest to support the British navy, eventually under some kind of federal system, he made it quite plain that in introducing the immediate proposal the Canadian government were acting on their independent judgment of the situation. Although some of his followers had been beseeching, in effect, the British government to assist the party platform by certifying that an emergency existed, the Canadian Premier markedly refrained from saying, "I must ask you to pass this bill because the British government deem it necessary to the welfare of the Empire." Instead, he assumed for his own government the entire responsibility of a decision which they had reached for themselves after hearing all that the naval experts and the government in Britain could give them by way of information. The method, therefore, was strictly autonomist, like the method which would be normal under Britannic Alliance. First, conference to consider

¹ P.S.—Since the above was written the Borden-Churchill correspondence and the Admiralty's scheme of a Gibraltar squadron have been published. See Appendix. By announcing a strategical project before the anterior question of political principle had been settled in Canada, the Admiralty irritated many Canadians.

the facts and discuss policies. Next and finally, independent executive action on the part of the several national governments to give effect to whatever each might deem that the situation required.

THE NAVY OF IMPERIAL FEDERATION

The actual proposal, albeit described and intended as only an emergency measure, seems to illuminate the probable nature of the centralised navy under Imperial Federation. It was the outcome of prolonged discussion between the British Admiralty and a Dominion statesman who approached the question in a federalist spirit. The implicit confidence shown by Mr. Borden in the continuous wisdom and efficiency of the British Admiralty is characteristic of imperial federalists overseas; but can hardly be shared by any who have followed the independent criticism of its modern administration, and have noted that certain specific and telling indictments seem to remain unanswered. The analogy of the centralised War Office, with the gigantic incompetence it displayed in South Africa—an incompetence mitigated in the crisis by the happy fact that it had failed to drag the Dominions into its net—must inspire some misgiving as to how the Admiralty might emerge from that vital test which has not arisen for a hundred years. Nevertheless, to Mr. Borden, and to imperial federalists generally, the practical problem is how to associate the Dominions with that navy which is managed by the only people who can ever manage a navy—the British Admiralty. The practical difficulty was, and would be, how to

reconcile the pride of Canadian nationalism to the dogma, which Mr Borden affirmed as a result of his consultations with the Admiralty, that Canada could not within twenty-five or perhaps fifty, years build up any naval force that would count for anything. And yet the same board of experts, in the same memorandum, were at pains to emphasise the fact that practically within the space of a dozen years the Germans had built up the second navy in the world!¹ Though Mr. Borden did not say so, it is well known that one point which has always weighed heavily with the Admiralty against the policy of Dominion navies is the great difficulty, perhaps the impossibility, of imposing the disciplinary methods of the British navy upon lads brought up in an atmosphere of social and economic freedom. The British Admiralty being the only possible repository of naval wisdom, and Dominion manhood being held unfit for naval service, it follows that the Britannic navy under Imperial Federation would be purely British not only in respect of management but also in respect of the lower deck. It is natural, but significant, that in Mr. Borden's proposal there was no suggestion of trying to train any Canadian seamen; the example of the former agreements with the Australasian governments being disregarded in this respect. Under Imperial

¹ I am aware of the argument that there is not yet sufficient population in the Dominions to man fleet units. But, assuming close co-operation, it seems probable that if the 45,000,000 in Britain would be enough for a centralised imperial navy, the 60,000,000 in the Britannic union would be enough for the allied navies.

Federation, as in Mr. Borden's proposal, local patriotism would be recognised by trying to get a few officers from the Dominions, and by awarding contracts for small vessels to Dominion shipyards, the Dominion paying the difference in price—presumably only until after the finances of the navy were federalised.

If the experience of the former naval agreements with Australia and New Zealand is any guide, there would be little probability of any considerable number of officers being drawn from the Dominions into an imperial naval service paid at British rates and directed by a purely British executive, albeit acting in the name of a Britannic State. Nor is it easy to imagine that the people of Britain would very readily consent to have their taxation increased for the purpose of subsidising the shipbuilding industry in Canada and Australia. Since Britain would enjoy not only a preponderance in the federal legislature but also the sole executive management of the naval organisation, the concessions originally promised to the Dominions would tend in practice to become nugatory. Judging by the experience hitherto gained, the Britannic navy under Imperial Federation would in reality no more represent the Empire than the Athenian navy represented the Delian League after the allies had been persuaded to transmute their independent contingents into cash subsidies to that one admiralty which alone, they were led to believe, either did or could possess the capacity to manage a navy—and which finally exhibited the triumph of centralisation when its navy sank in

the harbour of Syracuse, carrying with it the Athenian Empire. It would simply be the British navy subsidised by the Dominions, a force instinct with British ascendancy whether or not it could really guarantee the safety of the Empire.

MR. BONAR LAW'S PROPOSAL

Another feature of Mr. Borden's statement was that he coupled trade with defence as a subject requiring to be managed jointly in the interests of imperial unity. He thus seemed to recognise the difficulty of trying to maintain a joint foreign policy without a joint trade policy. But in our present context the importance of his declaration lies in the response that it evoked from the Conservative party in Britain, of which Mr. Bonar Law had succeeded Mr. A. J. Balfour as the official leader. It is alleged that Mr. Bonar Law had been in consultation with the Canadian ministers during their recent visit ; as seems both probable and proper. At any rate, that visit was the prelude to a vigorous spurt in the campaign for Tariff Reform in Britain. At the annual conference of the Unionist party, early in November, the full policy of Tariff Reform was emphatically re-affirmed with every sign of rank-and-file approval. In November a declaration of policy was made at the Albert Hall by the Conservative leaders, Lord Lansdowne and Mr. Bonar Law, to the effect that at the next election the party would seek a mandate for the so-called "food duties," and would then convene an Imperial Conference in order to arrange reciprocities. In some degree the case for the food duties was

made to rest on a national basis; the proposal being that the revenue from these duties, which in any event could have no lasting effect on retail prices, should be applied to the reduction of certain food taxes already existing, which were such as always to fall on the consumer and especially on the poor. The readjustment would effect a lightening of onerous taxation, and incidentally the same reform would enable reciprocity with the Dominions. The argument was weak, in so far as the proposed total exemption of Britannic produce would ultimately dry up the revenue from the new duties, if the system of preference were fully successful. On the whole, however, the proposal may be classed as nationalist and autonomist, following the method by which the system of preference has been established in the Dominions severally. The tariff was to be primarily national, designed to serve the domestic interest of the British people by substituting beneficial for injurious taxes. If it is true that the party leaders had consulted with the Canadian ministers, it is likely enough that the policy outlined at the Albert Hall was in consonance with the impression they had derived of the Canadian attitude.

WORKING MODEL OF IMPERIAL FEDERATION

But the immediate effect of the announcement was to revive the active opposition of those capitalist and clique interests which have been hostile to Tariff Reform and able to exert pressure on the party machine. This, coupled with the natural inaptitude of a Conservative party for a Liberal .

policy, apparently induced the leaders to reconsider their programme. In a speech at Ashton-under-Lyne Mr. Bonar Law made a revision which was called an "explanation." All argument in favour of the food duties on national grounds was now abandoned. The party, it was declared, did not wish to put on those self-same duties which, a few weeks before, had been represented as the means to a most desirable reform of the revenue system. The view which, for ten years past, the politicians of the other side had been sedulously propagating, and the tariff reformers combating, was now implicitly accepted by the Conservative party. The "food duties" were bad, and therefore would not be imposed unless it were found, after an Imperial Conference, that the "colonies" really wanted them. So the national or autonomist basis of the proposed reform was thrown aside, and a purely federalist basis was substituted. In effect Mr. Bonar Law, who has avowed his belief in Imperial Federation, might have said:—"These duties, I admit, might be bad for Britain alone, but they might be good for the Empire. What is good for the whole is best for the part. The way to ascertain it is to have an Imperial Conference. If the Colonies, or the principal among them, say that they want us to tax food it would be only right—for I am an imperial federalist—that their vote and half Britain's should carry the day. The responsibility for what our party does in this matter must rest on them as well as on us. Imperial Federation is in the air, and we are anxious to act in that spirit."

Out of the chaos which was created in the party by the Ashton-under-Lyne speech, there emerged a yet more decisive federalisation of the fiscal proposal. The party in parliament was stampeded by the intriguers, who had got the ear of the biggest section of the party press. Under this pressure the party leaders, Lord Lansdowne and Mr. Bonar Law—though they said they would have preferred to resign—consented to defer asking the electors for a mandate for the food duties until *after* the Imperial Conference had been consulted. “No food taxes unless our Colonies want them” now became the policy of the party, according to the explicit and unabashed statements of the greater part of the Conservative press.¹ The criticism of the few dissentient journals, and of the ministerial organs, was mainly directed to exposing the contrast between the new programme and the previous

¹ Two years ago the author, contrasting the right and wrong policies of Imperial Preference, forecasted that the next Unionist government “would consist at best of half-and-half Tariff Reformers and would be susceptible both to free trade wirepulling and to antiquated reminiscence of the old colonial relationship. Such a government would instinctively try to shield itself behind the Dominions in introducing its tariff-reform proposals. Certain ministers and a host of party advocates would represent the change as being required primarily in order to please “our colonies” rather than for any strictly national object. The government would refrain from instituting any new tariff until the Imperial Conference had been consulted, if not specially summoned for the purpose. . . . Imperial negotiations having thus taken place, the ministerial party would sooner or later ask the country to endorse the new duties for which ‘our colonies’ had stipulated. Their free trade supporters, claiming to represent the cream of the national intellect, would urge the

declaration of the leaders at the Albert Hall that it would be unfair and impracticable for the British government to go into a preference negotiation with hands tied—pending, that was to say, an appeal to the electorate—as the Dominion governments would come with power to ask their parliaments forthwith to ratify any bargain made at the Conference. In the present context, however, it is more important to stress the fact that this culminating stage in the utter abandonment of the autonomist principle was the deliberate work of the parliamentary party as a whole. All the Unionist members excepting a mere handful signed the memorial which urged the leaders to take this reactionary course.

Supposing there existed to-day a federal parliament of the Empire, with the powers necessary to the government of the Empire, and the Britannic tariff had now to be settled, the position and result might, perhaps, be not unlike that which the English Conservatives have adumbrated. A small duty on foreign wheat and other foodstuffs of the temperate regions would be favoured by the majority

acceptance of this 'sacrifice' in the imperial cause. . . . The imperial fat would certainly be in the fire. Meetings of Liberal compatriots throughout the Dominions would cable resolutions to the effect that they did not want preference on such terms, to the bewildered exasperation of Unionists in Britain who honestly thought they had been fighting the Empire's battle."—*The Imperial Conference*, vol. ii. p. 231-32. Some prophecies fail to prevent their own fulfilment. But being an optimist the author consoled himself with the reflection that "despite the avoidable friction of muddle" the right preference system would eventuate.

of the Dominion members and a minority of the British members, if we may assume that the Liberal party machine in Britain had been not less successful in the Britannic than in the British elections. The proposal would be carried against the majority of the British members by the minority plus a majority from the Dominions.

RECEPTION OF THE PROPOSALS

Recent events have thus afforded some guidance to the practical meaning of Imperial Federation in respect of two important subjects, the imperial navy and the imperial fiscal system. While Mr. Borden's proposal was only partially federalist, that of the English Conservatives reflected the principle more faithfully and may almost be regarded as a working model of Imperial Federation. Accordingly the character of the public reception of the two proposals ought to afford some indication of how far the Britannic peoples are at present disposed to accept Imperial Federation when it is brought down from the clouds and offered to them in concrete items of typical policy.

In Canada, as far as an Englishman could judge from the rather onesided press service, the tendency was to welcome Mr. Borden's proposal as a strictly emergency measure, the liquidation of an overdue debt which was galling the national pride, but also to take firm hold of his declaration that the principle of the measure was not meant to be a model for the permanent policy. Sir Wilfrid Laurier's amendment, to the effect that the £7,000,000 for the three Dreadnoughts should be diverted to the founding

of two fleet units, appears to have touched a responsive chord, despite the mistrust which must be felt of a statesman who signally failed to execute that selfsame policy when circumstances required it and the duty was his. So responsive indeed, does the Canadian sentiment appear to have been, that the government was reported to be wavering in the idea of postponing the permanent naval policy to the final settlement of the Empire's constitution, and to be contemplating the early introduction of a permanent policy of fleet units. The latter type of naval policy continued, apparently, to command the allegiance of the Australians, who seemed generally to regard Mr. Borden's proposal as reactionary. In New Zealand the tendency to reconsider the subsidy policy which the Dominion had hitherto pursued in naval matters did not appear to have been checked. In South Africa the nationalist party, now in power, were stirred to admit that something must be done. But, despite the peculiar tradition of the Afrikaner Bond (which favoured cash contribution) a policy of local development seemed to be probable. In Britain Mr. Borden's proposal was universally welcomed as an earnest of the Dominion's intention to do something at last. But it was peculiarly appreciated by that large section of the public in whom the old instinct of British ascendancy was still sub-consciously alive. Among those of the Liberal party who tried to think out the tendency of the new Canadian policy, the satisfaction of tapping an overseas fund in relief of the naval estimates and so in support of social reform—as when the ancient

Athenians used the naval tribute to beautify their city—was mitigated by the reflection that whatever constitutional rearrangement might ensue could not but tend to impair further the power of the British democracy to control its own foreign relations. On the whole the right inference seems to be that the Britannic democracies—except possibly the British—do not like the idea of naval centralisation as a permanent policy, to secure which is the immediate object of Imperial Federation.

The reception of Mr. Bonar Law's proposal was less dubious. Excepting the Conservative party journals in Britain—and not all of them—the cry of disapprobation was nearly general throughout the Britannic States. Yet the exceptions oversea may have been sufficient to illustrate again the tendency which has been termed compatriot politics, Conservatives oversea being reluctant to embarrass Conservatives in England. The attitude taken by the majority was almost invariably anti-federalist; the argument being that the fiscal policy of Britain, as of any Dominion, should be for the particular country to decide in its own way. Were that argument pressed, it must lead to the conclusion that, supposing the fiscal policy deliberately chosen by any Britannic State were inimical to the unity of the Empire, then the unity of the Empire should be sacrificed, for it would have proved incompatible with something greater—national liberty. The idea that any matter possibly vital to the unity of the Empire ought not to be submitted to some unified authority for the Empire is the paradox

which Conservatism can never assimilate, but which Liberalism is able to accept by the impulse of its faith. No doubt the actual case was exceptionally provocative, inasmuch as the notion is common overseas that the British people are really averse from the proposed "food duties," believing that they would inflict hardship on the poor. But at any rate the Dominions clearly intimated their refusal to deal with this matter in a federal spirit.

Supposing, once more, a federal parliament were in existence, it is conceivable that similar emotions might prevail even then. The Dominion members might deliberately refrain from supporting a fiscal proposal which they believed would be advantageous, perhaps vital, to the welfare of the Empire, but which they would not wish to impose on Britain against the will of her own representatives or a majority of them. In the same way, the federal parliament might have power and occasion to deal with the question of Asiatic immigration, and yet be unable to act because reluctant to constrain by force that "narrow" patriotism which refuses to subordinate "White Australia" to any ideal of imperial unity. Those are not improbable conjunctures, assuming Imperial Federation. They would afford the spectacle of a federal government rendered ineffective through lack of the peculiar sentiment which was presupposed. The federal machine would have broken down because it had been created in advance of the federal spirit, or, possibly, in defiance of some contrary and more vital instinct.

A CHARTER FOR INDIA

As leader of the Conservative party Mr. Bonar Law had included in the fiscal programme a proposal respecting India, which also was logically federalist. Free trade within the Empire is always inherent in the federalist ideal, as well as a central parliament for the Empire. Though the modern federalist generally abjures the notion of including India as a federal unit, there is nothing, from his point of view, to prevent complete free trade between Britain and India. Indian manufactures have not yet begun to compete in the British market; and so the future possibilities of Asiatic-labour competition are generally ignored. Mr. Bonar Law's proposal¹ was that complete free trade should be established, coupled with mutual protection against foreign goods. India, that is to say, might indulge her well-known protectionist instinct by imposing duties on foreign manufactures. But she would be required to exempt British goods from the present revenue duties; and she would then be allowed to abolish the excise duty on Indian-made cottons which she has been forced by the suzerain government to maintain lest the expansion of her indigenous industry should reduce her consumption of Lancashire goods. No honest man can really persuade himself that this excise duty, which notoriously is very obnoxious to Indian sentiment, has been maintained in the interests of India. The argument for the existing fiscal relation is simply, as Lord Crewe has lately

¹ Speech at Oldham, November 8, 1912.

stated the case, that "the weekly wages of hundreds of thousands of our employed classes" might be imperilled if it were altered on protectionist lines.

Mr. Bonar Law was honourably straightforward in arguing that India, being indebted to Britain for administrative benefits, might reasonably be required to maintain an open door for British imports. But that proposal is, of course, diametrically opposed to the view which has been taken in this book; a view founded on the conviction that exploitative imperialism is unjust to India, demoralising to Britain, and bad for the Empire. However, the immediate effect of the proposal was to evoke from the British government, by the mouth of no less a personage than the Secretary of State for India, a statement which the government and people of India may be advised to cherish jealously as the future Magna Charta of their trust and country. In two speeches and a letter,¹ replying to Mr. Bonar Law, Lord Crewe declared that if once Free Trade were abandoned in Britain it would no longer be either just or practicable to continue withholding from India the right of Protection, which he admitted that her own spokesmen demanded. Had he not premised that he spoke with "a full sense of the great responsibility" attaching to his office, one would have been tempted to surmise that these utterances were intended for home consumption and party advantage. He appealed frankly to the selfish interests and likely fears of the Lancashire people. His assertion that the fiscal system of Britain was still based on

¹ *Times*—December 5, 12, 23, 1912.

real faith in the general applicability of Free Trade was made in careless oblivion of Mr. Asquith's contrary position at the Imperial Conference of 1907,¹ where that minister was at pains to insist that Free Trade was no fetish but simply a fiscal expedient which was deemed suitable to Britain's peculiar circumstances for the time being. But India cannot be expected to discount to her own disadvantage the public utterances of a Secretary of State. If a future Liberal government can be held to the deliberate statement of the present one, the greatest step that could be taken towards national autonomy for India should be within sight. Any measure, however restricted, of Tariff Reform in Britain would suffice to create the situation apprehended by Lord Crewe.

IGNORING THE IMPERIAL CONFERENCE

The Conservative proposal, to summon the Imperial Conference in order to ascertain the conditions of mutual preference, might have been proper enough if the Imperial Conference had never dealt with that subject or had never defined the procedure. But in point of fact the preliminary stage was already past, and nothing had since occurred to alter the conditions essentially. At the session of 1902 the Conference, led by Sir Wilfrid Laurier, passed the following resolutions :

1. That this Conference recognises that the principle of preferential trade between the United Kingdom and His Majesty's Dominions beyond the seas would stimulate and facilitate mutual commercial intercourse, and would, by promoting the develop-

¹ Cd. 3523, pp. 308-09.

ment of the resources and industries of the several parts strengthen the Empire.

2. That this Conference recognises that, in the present circumstances of the Colonies it is not practicable to adopt a general system of Free Trade as between the Mother Country and the British Dominions beyond the sea.

3. That with a view, however, to promoting the increase of trade within the Empire, it is desirable that those Colonies which have not already adopted such a policy should, as far as their circumstances permit, give substantial preferential treatment to the products and manufactures of the United Kingdom.

4. That the Prime Ministers of the Colonies respectfully urge on His Majesty's Government the expediency of granting in the United Kingdom preferential treatment to the products and manufactures of the Colonies, *either by exemption from or reduction of duties now or hereafter imposed.*

5. That the Prime Ministers present at the Conference undertake to submit to their respective Governments at the earliest opportunity the principle of the resolution and to request them to take such measures as may be necessary to give effect to it.

The immediate point of the resolution lay in the circumstance that the shilling corn duty was then in force in Britain, and the Dominion statesmen seemed to take for granted that the incidence of the tax was either already on the oversea producers or would eventually rest in that quarter. The British government accepted the resolution, but ignored it by refraining from giving preference under the existing import duties on corn, tea, sugar, etc. The excuse might be that—as, indeed, is indicated by the peculiar form of the resolution—the Colonial Conference was still regarded officially as being only a committee advisory to the Colonial Secretary, so that the resolution was not regarded as binding on Britain. In 1907 the Conference, again led by Sir Wilfrid Laurier,

re-affirmed the same resolution in its entirety. But since the shilling corn duty was no longer in force—having been repealed by the Conservatives owing, probably, to the pressure of those capitalist interests which were the first to feel its adverse effect—the main point of the resolution had shifted from the words “now levied” to the words “or hereafter imposed.” This time the British government dissented from the resolution; the idea having taken root that the resolutions of the Conference were “mandatory” to those governments which accepted them. But, as far as the Dominion attitude is concerned, the principle thus twice affirmed is surely clear enough. If any self-governing State has a tariff adaptable to preference, then preference is expected. But if the national tariff of any State is not adaptable to preference, then that State is not asked to change its fiscal system for the sake of the Empire. The essence of the proposition was in its firm recognition of national autonomy. Assuming, again, that a State did possess an adaptable tariff, the amount of the preference to be given was left to its own judgment; though Sir Wilfrid Laurier and others intimated that they would be ready, after the preliminary stage had been reached on both sides, to carry the system further by negotiating reciprocal extensions. To the Dominions, therefore, the crux of the question since 1903 has been whether Britain would again, as in 1902, find it expedient in her own interest to broaden the basis of her revenue system, and thus establish duties under which she could give preference—without detriment to the primary purpose of the

tariff—either by “exemption” or else by “reduction.” If Britain remained satisfied with her present fiscal system, then the Dominions did not consider that there was anything more to be done. For them to suggest that the British government should levy special import duties, imagined to be onerous, merely for the sake of giving preference, would be to defeat the very purpose of the reform, by importing a sense of sacrifice into what should be regarded essentially as an arrangement of direct mutual benefit. Having regard, therefore, to the explicit resolutions of the Imperial Conference, defining the right procedure of preference, there could be no justification of the Conservative proposal except for those who rejected the principle of autonomy, on which the Conference had always taken its stand, in favour of the principle of Imperial Federation, which the Conference had always rejected.

PROSPECTS OF PREFERENCE IN BRITAIN

The argument in this book has been that for the Britannic States a joint trade policy is necessary to closer and permanent union in any form, because otherwise a joint foreign policy could not be maintained for ever; and that it is doubly necessary to the autonomist conception, which postulates mutual aid in living instead of centralised force as the better guarantee of harmonious, effective and durable association. Coming from the principle to the practice, we find that there is little scope for a joint trade policy apart from mutual preference, or Britannic reciprocity; and that, the economic

circumstances being what they are, any effective system of reciprocity would include preference in the British market for those foodstuffs which represent so large an element in the national industry and exports of the Dominions. Such being the argument, it is difficult to avoid the conclusion that in the long run the possibility of closer and permanent union of the Empire depends on the reform of the fiscal system in Britain, so as to introduce a British tariff adaptable to Britannic reciprocity. The present volume, therefore, could hardly conclude without some attempt at estimating the prospects of that reform, as affected by the recent developments which have been discussed above.

THE "FOOD DUTIES"

With the existing political parties the fiscal system of Britain seems unlikely to be reformed on lines conducive to a Britannic commonwealth, unless by spasmodic steps at irregular intervals. A brief sketch of the required reform, so far as the question of food duties is involved, will suffice to indicate the extent of the mistake—relatively to the ideal policy—into which the Conservative party has lately been drawn by the combined impulse of election tactics and Imperial Federation. A tariff suitable to the altered circumstances of twentieth-century Britain would resemble the proposal framed by the "Tariff Commission" in 1906—but never officially adopted by the Conservative party—of which the distinctive feature was that colonial produce would be dutiable as well as foreign produce albeit at a lower rate of duty. In other words,

preference was to be given by the second of the two methods ("exemption" and "reduction") which were specified by the Imperial Conference, and by the method which has generally been followed in the Dominions.

The purposes of the reformed tariff would be to secure :—

(1) A new and reliable source of revenue for the British government, which is yearly feeling an increased difficulty in meeting the rapid growth of national expenditure, especially since Mr. Lloyd George's new land taxes, which were to have solved the problem, have proved a fiasco from the Treasury point of view :

(2) Some advantage to British agriculture in view of the deplorable condition of the country districts :

(3) The organic incorporation of Ireland in the United Kingdom, with or without some kind of Home Rule :

(4) The means of effectively reciprocating the British preferences of the Dominion tariffs, and of thus establishing *Britannic reciprocity*.

Let us compare the operation of such a tariff, which we may call for distinction the Liberal-Unionist tariff, with the scheme advocated at present by the Conservative party, with reference to those four objects of fiscal reform in Britain.

(1) *REVENUE*

From the new food duties the Liberal-Unionist tariff would have yielded in 1907 an immediate revenue of about £8,000,000, if we may rely on a

reputable and free-trader statistician, who took the figures for that year.¹ Were the calculation brought up to date, it seems unlikely that the total of revenue would be reduced, because imports have probably continued to increase; even if, as is alleged, the foreign proportion has decreased and the colonial proportion has increased.

In judging methods of revenue the incidence of the various taxes is an important point to consider, especially in modern Britain, where, after sixty years of free trade, a third of the population is alleged to be living on the verge of hunger. As regards the probable incidence of the proposed food duties we have, fortunately, the evidence of one recent and practical experiment in Britain. The shilling corn duty of 1902-3 yielded over £2,000,000 of revenue—say, roughly the cost of a battleship. Had it been retained, it would have yielded the cost of ten battleships by the present date. Where was the incidence of that tax? Taking the available evidence we find that only in a few towns

¹ Mr. L. G. Chiozza-Money, in the *Westminster Gazette*, November 19th, 1912. Assuming the Tariff Commission's scale of duties, viz.: Corn, foreign 6d. per cwt., colonial, 3d.; Meat, 5% and 2½%; Dairy Produce, 5% and 2½%; he reached the following estimate of revenue for 1907.

				Foreign.	Colonial.
				£	£
Corn	..	..	..	3,800,000	600,000
Meat	..	..	..	1,900,000	350,000
Dairy produce	..	..	..	1,400,000	250,000
				<hr/>	<hr/>
				7,100,000	1,200,000
Total revenue ..				£8,300,000	

was the price of bread even temporarily raised, despite the fact that the free-traders were vociferously preparing the public mind for that outcome and were thus facilitating the operation: that generally there was no rise at all: that the statistical evidence ¹ is against the theory of the duty being added to the price: that the transportation companies in America reduced their rates in order to offset it: ² that, by the offer which they made, the Canadian government took for granted

¹ The following average annual prices of homegrown wheat per quarter (eight bushels) are calculated from the official returns, for the twelve months May—April, so as to correspond more nearly than does the calendar year to the currency of a Finance measure.

1901-2.	1902-3.	1903-4.
Duty, free.	Duty, 1s.	Duty, free.
27s. 0 $\frac{3}{4}$ d.	27s. 3d.	27s. 6 $\frac{1}{4}$ d.

According to the Blue Book (Cd. 1761) the price of wheat in New York was 1s. 3d. higher in the year of the duty than previously. It was higher still in the year following the repeal. Thus there was a natural rise during this period, affecting both English and American wheat, which must be discounted before the duty in 1902-3 is made responsible for any part of the rise in England.

The following average prices of household bread (4 lb. loaf) are taken from the Speaker's Handbook of the Tariff Reform League:—

		London.	Edinburgh.
		d.	d.
1901	..	5·00	5·75
1902	..	5·28	5·50
1903	..	5·58	5·63

² "You know that last year I imposed a shilling duty on corn. Part of that duty was certainly paid by some of the great railway companies in the United States, who lowered their rates to a

that the tax would ultimately rest, in part at least, on farmers or other interests (*e.g.* railway companies) in Canada: that in the Argentine the repeal of the tax was heralded as a boon to that country—implying that the tax had been felt at that end.

There can be nothing in all this to surprise or puzzle one who has tried to observe the working of commerce without deference to the text-book generalisations of a science which in Victorian Britain was too narrow to deserve the name. The conditions of competition between sources of supply, at home or abroad, which are unequally placed in respect of freight rates or import duties; the impossibility of suddenly finding an alternative market for products of a kind which, unlike the raw material of manufactures, can be “consumed” only where stomachs, not machines, are situate; the small proportion of the duty relatively to the value of the article; the obstructiveness to manipulation of retail prices of a coinage which includes no token smaller than a farthing, and of a custom or law which maintains standard weights of bread; the great difficulty of eliminating internal competition from such a trade as that of the bakers, who can get no monopoly of the art or appliances of bread-making; the importance, at the same time, of the bakers to the wholesale flour merchants, who cannot afford to see these middle-

certain extent in order to relieve the flour producers in the Western States of America, in order to place them on an equality with the home producer here.” Sir M. Hicks-Beach (afterwards Lord St. Aldwyn), at Manchester, November 5, 1903.

men fail ;—all those factors and some others help to explain why a duty of one or two shillings a quarter ¹ cannot in Britain be passed forward to the consumer, but must travel backwards, until it comes to rest at last on the oversea farmer, to whose shoulders the intermediate corporations can generally transfer such burdens in the end. How sage was the philosophy of that old signboard of the village inn, whereon were portrayed the Seven Alls: first, the King who “ruled all;” last, the Farmer who “paid for all.”

If the actual experience, supporting the economic theory, has indicated that the shilling duty of 1902-3 did not in any sense make life harder for poor people in Britain, while it did yield the cost of a battleship a year, then this much maligned duty was in truth the least onerous means of raising £2,000,000 of revenue that was ever open to a finance minister in Britain, and its repeal was a reckless error—as, indeed, has been recognised by impartial judges.² The other food duties, presumably, would tend, more or less, in the same

¹ Two shillings would be equivalent to 3 cents. a bushel.

² *e.g.* The late Sir Robert Giffen (a Liberal) in the *Quarterly Review* of July, 1909, p. 215. The apologia of the author of the duty may be interesting to the generation which in England has grown up, since 1913, in the less musty atmosphere of the Chamberlain campaign :—

“I believed it better that the duty should be repealed than that it should be used as a first step in a policy of preference and protection—a duty which I still think, as I told the House two years ago, when once established would do very little practical harm—and the repeal of which, as far as I know, has done no good whatever to anybody.” Sir M. Hicks Beach, in the

direction of incidence by force of similar circumstances. The yield from the general minimum rates would be stable and regular, and would be augmented by a variable—probably diminishing—addition from the surtax on the foreign proportion, the total revenue perhaps approximating at first to our expert's estimate. A set of revenue duties so uniquely non-onerous would not, from the British standpoint, be taxes at all, and to decline or discard them in favour of onerous imposts has surely been the act of national lunacy.

Under the Conservative proposal, which exempts from duty colonial produce and charges only the foreign, the yield of revenue would be reduced to £7,000,000 on the 1907 figures, but if they were brought up to date, the difference might be greater. And this diminished yield would not be dependable for long if the operation of the preferences tended to accelerate the displacement of foreign by Britannic supplies.

(2) *ADVANTAGE TO BRITISH AGRICULTURE*

Under the Liberal-Unionist tariff the large new revenue would assist especially the British farmer, owing to his exceptional liability in respect of local rates; the local exchequers having nowadays

Budget debate, 1904. But the duty must have been a tax on somebody. The repeal meant a bonus of over £2,000,000 a year, ultimately perhaps to the oversea graingrowers, but immediately to the middle interests, not only millers and shipowners but all those financial houses, mostly international, which are concerned in floating the capital issues of land and railway companies in North and South America.

to bear the brunt, directly or indirectly, of every new increase of national expenditure. Agricultural profit is the difference between the cost of marketing (including cost of production) and the selling price. Assuming that the selling price is constant—our hypothesis being that the proposed duties would not raise prices—the farmer's margin of profit varies with the cost of production and marketing. Reduce that cost for the British farmer, or increase it for his oversea competitors, and you give an advantage in competition to British agriculture. That would be the effect of any measure which relieved the taxation of the British farmer by drawing from duties on imported produce a revenue which must otherwise have loaded his own costs instead. Of course every one admits, or should admit, that no readjustment of taxation can change the face of rural England. But most who know are ready to agree that in any comprehensive agrarian reform some such readjustment would have its place.

Under the Conservative proposal the fiscal advantage to agriculture is reduced at once, and might presently vanish altogether, because the exemption of Dominion produce would (a) diminish the available non-tax revenue, and (b) stimulate the competition of the most formidable potentially of the British farmer's oversea competitors.

(3) *NATIONAL UNITY*

Organic unity is a question of creating a conscious economic interdependence between the constituent peoples of the would-be commonwealth.

As regards the polity of the United Kingdom the main weakness of the existing system has been the neglect of that principle in relation to Ireland. Under the Liberal-Unionist tariff the new race of Irish farmers would probably become the staunchest supporters of a political connection which gave them a preference in the world's best market against all other oversea competitors—a most practical example of mutual aid in living. This principle stands, of course, quite independently of any question of Home Rule.

Under the Conservative proposal the economic influence would be weakened owing to Ireland being grouped with the Dominions, and not with Great Britain in a national union. Of course, if the result of the Imperial Conference were to reveal that the Dominions would not recommend the food duties, the Conservative party would be obliged (by its present commitment) to refrain from levying them. In that event the Conservative tariff could offer no advantage to British agriculture anywhere, and would be useless for any purpose of organic integration of the United Kingdom.

(4) *IMPERIAL PREFERENCE*

Just as the British farmer would benefit by having his taxation relatively reduced, especially at the expense of his oversea competitors, so would Dominion farmers benefit by the privilege of entering the British market at a lower rate of toll than foreigners. From the Dominion standpoint, indeed, freedom of entry and no preference might appear more valuable than taxed entry and a

preferential abatement of part only of the toll, because the remainder of it would be a deduction from profits. But on the autonomist principle the interests of Britain must be the first consideration in Britain's fiscal system, just as in the Dominions the local interest is always considered first; and we have seen how beneficial to the United Kingdom would be the maintenance of a minimum duty on all competitive agricultural imports, which is the Liberal-Unionist proposal. In these circumstances the obvious policy of the Dominion governments would be to seek a preferential rather than a general reduction of the British duties, not only for the sake of the advantage in competition, but also because the maintenance of the higher rate on the foreign imports would minimise the loss of revenue to the British exchequer, and would therefore be the easier concession to obtain. Let it further be noted that the larger the volume of imports from the Dominions the keener would become their interest in trying to obtain the utmost reduction of the duty thereon; and the brighter, therefore, would become the prospect of eventually attaining free trade within the Empire through a process of reciprocal concession. With the Conservative tariff, on the other hand, the Dominion governments would feel no such incentive to promote a reciprocal and progressive reduction of import duties. Already enjoying entire exemption from the British duties, they could gain no further advantage except by such an increase of the duties on foreign produce as would raise the level of prices in the English market—a policy too invidious

for any of them to propose or for any British government to undertake.

"SACRIFICE"

Another consideration has to be urged. An immediate—and not unexpected—result of the Conservative proposal was to evoke from the grain-growers' organisation in western Canada a fresh protest against the notion that they might desire to have taxes placed upon the food of the struggling wage-earners in Britain. Of course, on the theory of incidence which we have adopted, any oversea grain-growers would have a very direct and personal interest in trying to avert the proposed duties, and would be likely to support the free-trade party in Britain to the best of their ability. They know that the Liberal-Unionist tariff—which might some day emerge from the Conservative beginning—would mean a deduction from the price of wheat on the prairies, whether the grain were shipped duty-free to American centres, for milling and distribution, or direct to Liverpool, the ultimate market of North America's surplus. But the generosity of the grain-grower's sentiment may be conceded and the moral drawn. Under the Conservative policy preference on food stuffs admits of being represented as a "sacrifice," which poor wage-earners in Britain are told they must make for the sake of preserving the loyalty of prosperous farmers in the Dominions. Under the Liberal-Unionist proposal no such mischievous idea is possible, because no one could suggest that a duty levied on Canadian

grain was being levied in the interest of Canadian grain-growers rather than the interest of British taxpayers. The belief that such imposts, just like the transportation charges, always find their permanent resting-place on the producer's back, is universal among farmers, in the Canadian west quite as much as anywhere else. Let Britain restore the duty of 1902 and she would not be left in doubt any longer than she then was as to whether, in the opinion of Canadian grain-growers, the tax would be likely to fall on the oversea producer or the poor British consumer. The obnoxious notion of "sacrifice" would disappear at once and for ever; and identical principles of fiscal policy would at last be established throughout the British commonwealth; securing mutual preference on the lines laid down by the Imperial Conference and enabling combination in foreign affairs.

THE OUTLOOK

Of the ideal policy of Tariff Reform there seems to be no prospect in the present commitments of any political party in Britain. Yet, supposing the Conservatives arrived in office with some or other fiscal policy, and proceeded to extend the range of import duties to manufactures at least, introducing the principle of preference throughout, it is not likely that their work would be undone by their Liberal successors, especially if any substantial revenue were accruing. Much more probably the Liberals would denounce the loss of revenue which was entailed by exempting Dominion products. They would offer mutual free trade,

but failing an early acceptance they would proceed to levy a minimum rate on the Dominion imports, so as to increase and insure the revenue while still preserving a sufficient margin of preference to reciprocate the British preferences oversea. At present the official Liberal doctrine—which, like the Conservative proposal, has undergone sundry transformations in the course of the Chamberlain campaign—is that preference is bad only when it means putting on additional duties, not when there are already duties available. That is a long way from the original doctrine—"sordid bonds"—as enunciated by Sir Henry Campbell-Bannerman. True, the present Liberal government have not acted up to their profession, which has only figured as their excuse for sanctioning preference in the West Indies, and which has had some scope under the existing food duties of the English tariff. So far, however, as principle is concerned, a small step further would suffice to carry the Liberals to the position contemplated, when they would alter the Conservative tariff to the Liberal-Unionist model by interposing minimum duties on Dominion products. In trying to forecast the possibilities, one must always remember that probably the first few years of Tariff Reform, in almost any shape, would be enough to destroy the platform alarms which have hitherto obstructed it and to facilitate its further development. Thus the best fiscal system is not altogether beyond the range of political possibilities in Britain, though it is not likely to be established either soon or systematically.

DODGING AN ISSUE

Up to the present the policy of Tariff Reform has never yet been squarely placed before the British people at a general election. Looking back over the political history of the past six years it almost seems that the paramount aim of the Liberal party managers, independently seconded by the influential little circle of Conservative free-traders—who more truly represent the permanent tendencies of Conservatism—has been to prevent at all hazards a straight contest on Tariff Reform. On the Liberal side one policy after another has been frantically rushed into the arena, with the palpable intention of distracting the public mind from the one plank of the opposition platform that has seemed to make any lively appeal to the British democracy. On the Conservative side all sorts of shifts—a double election, an Imperial Conference, a special referendum—have been successively paraded and withdrawn, paraded again and withdrawn again, in the vain hope of being able somehow to face both ways, or to counter the “unpopularity” with which the free-traders claim to have invested the “food taxes.” But some of those who, like the present writer, have been at pains to test this alleged unpopularity by practical experiment, in both town and country, are aware that it is mainly fictitious. Despite the discredit which the tortuous conduct of the Conservative party has undoubtedly inflicted on Tariff Reform, the full policy would certainly win to-morrow at a general election, if it were given

a fair field, straightforward leadership and candidates who lacked neither courage nor knowledge. What the people of Britain have mistrusted of late years is not Tariff Reform but the Conservative party, which—as even its own partisans are publicly bewailing every day—has failed to maintain a straightforward fiscal policy, or otherwise to merit public confidence.

LANCASHIRE AND THE EMPIRE

It has lately been alleged that the main opposition to the “ food duties ” comes from Lancashire. When first Mr. Chamberlain went to expound his policy in the cotton district ¹ he was handed a written question which asked whether it would be just to withhold the right of Protection from India if Free Trade were abandoned in England. Observing that it was a question of justice Mr. Chamberlain replied that he would be content to leave the answer to the people of Lancashire. To-day, after an interval of eight or nine years, the Secretary of State for India has made it quite clear that in the hopes of Liberal partisans the Lancashire leaders continue to stand where they did at the outset. They will not have Tariff Reform because they fear that a protected cotton industry in India might be sufficiently successful to restrict their market there. Britain must not have Tariff Reform because it would no longer be possible to deny justice to India by offering the old sophistical excuse. If exploitative imperialism were really the last word of Lancashire—an imputation which probably is only

¹ At Preston, January 11, 1905.

a political libel—true Liberalism would have to answer, *delenda est*.

Obviously, at any rate, it is not the food duties but the principle of Tariff Reform, however restricted its application might be, that is supposed to be tabooed in Lancashire, on account of the Indian market which is so important to the cotton industry. The so-called "tariff referendum," which the cotton interests were represented as demanding to be restored to the programme of the Conservatives, could only fulfil their purpose if it is true, as is held by some experienced men, that in practice you could not submit a Budget to a referendum. In that case the demand could only be a cloak for the hope of averting Tariff Reform altogether.

Justice to India, in the sense which is necessitated by the national profession that British rule in India is disinterested, seems unlikely to accrue spontaneously from either of the existing political parties. But it may be worth while here to consider further the apprehension of Lancashire. It is of a kind which is familiar enough whenever a big importing country proposes to raise its tariff on manufactures ; and experience has shown that the alarm is usually exaggerated. Not so long ago the free-traders in Britain were pointing exultantly to statistics which showed, they said, that even the Dingley tariff had been powerless to check the growth of British exports to the United States. In the case of India the severity of the competition might be legitimately mitigated if the Indian government fulfilled its duty of taking steps to prevent the reproduction in India of those evil

aspects of industrialism which some western countries have discovered too late. But if the effect of Protection in India were greatly to stimulate local manufacturing, an immediate consequence would be an active demand for the mechanical equipment of factories, which would redound to the prosperity of the engineering trades in Britain. A plain question of British honour is not, however, to be judged by figuring profit and loss. It seems likely enough that Protection in India might necessitate the financial reconstruction of any cotton companies in Lancashire that have been floated on a "boom," over-capitalised by faith in the permanence of exploitative imperialism. Yet, at the very worst, no possible restriction of the cotton industry could approach, in point of national injury, the blow which was dealt to our fundamental industry, agriculture, by the free-trade policy of the last century, but which was overlooked for a time in the coincident prosperity of other industries. If Britain survived the one she could survive the other, should the concession of justice to India really prove a commercial disaster.

WANTED, A NEW PARTY

It is too soon to suggest that the new Conservative fiscal policy—of Britannic reciprocity on a federalist basis—cannot succeed in Britain. Reactions often seem to win, though the victory may be ephemeral—as perhaps has been illustrated by the present outcome of the *coup d'état* against the Imperial Conference. Already an attempt has been made to manipulate the Conservative

policy back to some kind of an autonomist basis.¹ One may believe that constant shuffling with an uncongenial policy has done as much damage to the Conservative party as to Tariff Reform, and that every new contortion, intended to disembarass the party, only worsens its chance of getting back to office. Yet the Liberal party is seen to be in difficulties too, and the Labour party to be threatened with serious disaffection.

What seems now to be required, in the best interests of the nation and the Empire, is the creation of a new party in Britain, for the immediate purpose of rendering to the Conservative party the same service which the Nationalists have rendered to the Liberal party, by assisting it to act up to its professed conviction even when it has no "mandate." If the country is already prepared for Home Rule, much more is it prepared for Tariff Reform; which has been widely expounded, well received by the people, and has provoked no democratic minority to a "solemn league and covenant." It may be too much to hope that the Conservative party will liberate Tariff Reform altogether. But the adherents of that cause could, by their own action, release it from the difficulty of having constantly to explain away its official leaders. There is room for, and need of, a new party to carry on the spirit and tradition of Mr. Chamberlain's later work. A founder of the Liberal-Unionist Association, Mr. Chamberlain sympathised with the Conservatives in their regard for union as a great principle of statecraft. But he

¹ Mr. Bonar Law's speech at the Hotel Cecil, February 7, 1913.

approached the problem of its practical application in a liberal spirit which was not theirs.¹ Thanks to him, and to him alone, the present "Unionist" party includes a much more numerous element of Liberal-Unionists than an examination of lists might appear to show; because under the late *régime* parliamentary candidates became practically indifferent to the distinction between the two labels. A little time ago the Liberal-Unionist wing was formally absorbed in the Conservative organisation. That surrender of the separate individuality merely sealed an existing fact; for the policy of the combined party had long been dictated by the Conservative majority, with the results to Mr. Chamberlain's Liberal cause that are seen to-day. But everyone knows that the party unity thus achieved is a hollow sham; many of the younger Unionists being by temperament more radical than the ordinary Liberal, from whom they are divided by their recognition of union as a constructive principle.

A new Liberal-Unionist society, seeking independent representation in parliament, should have no difficulty in finding a place of its own in both national and imperial affairs, making the one set of policies the complement of the other, and supporting any government which advanced in the right direction. Recognising the incipient fact, if such it be, of the "Servile State," it could offer to maintain the servile apparatus for those who found contentment thereunder; while for those who felt that they were born to freedom an avenue

¹ *cf.* their record as to Devolution.

of emancipation might be opened, possibly within Britain itself, but certainly within the Britannic commonwealth.

PROGRESS AND REACTION

Political progress, it is a commonplace to remark, is not wont to be a steady advance, least of all in circumstances of democracy. Yet the reactions which appear to interrupt may themselves facilitate, by the lessons they teach, the next step forward. To a believer in Britannic Alliance the episodes which have been treated in this chapter can only signify the tide of reaction. Mr. Borden's naval proposal was intended merely to meet an emergency. In Britain, nevertheless, it has had the effect of resuscitating the moribund ideas of the old imperialism, as lately the English newspapers have abundantly shown by the nature of their comments on the events in question. On the Conservative side the fugitive section, clamouring against the essential part of Tariff Reform, and readily forgetting how Mr. Borden expressly conjoined trade with defence, rejoiced that, after all, Preference was found to be unnecessary to the unity of the Empire, because Mr. Borden had shown a better way—colonial subsidies to a centralised navy. The Chamberlain remnant, not a whit less anxious to preserve the precious "party unity" which was the whole cause of the trouble, pleaded that Canada's splendid "loyalty" should be requited. Elsewhere it displayed its magnanimity to the Dominion as well as to the errant party sheep by actually suggesting that an alternative method, the payment

by British taxpayers of a bounty on colonial corn, should be seriously considered.

Truly the reaction has been in full swing; nor can one be blind to the extent of its effect. Had it not occurred—had the political resolutions of 1907 and the corresponding naval proposal of 1909 been steadfastly followed out—the Empire to-day would have been appreciably stronger in face of the particular danger which is felt to threaten it. A good beginning would already have been made towards the creation of the new fleet in the Pacific; and Britain would not have been distracted from her own defence duty by the revived notion of drawing colonial subsidies in relief. Seamen for the navy take five years to train and officers seven years. To build up a personnel for the Pacific fleet must be therefore a lengthy task; and we have to deplore that its commencement—except in Australia—has already been delayed four years. Gift battleships from the Dominions, not having been foreseen in the naval budgets five or seven years ago, cannot be manned by Britain without taking men and officers from ships already in commission or from some other duty. The extra battleships themselves, for service in European waters, it was the part of Britain to provide, if in the opinion of the Admiralty they were necessary. Of the alternatives open to the Canadian government there can, of course, be no doubt that the offer of battleships—which might be ready within three years and somehow manned at a pinch—would afford more “immediate and effective aid” (to quote

the sense of Mr. Borden's leading question to the Admiralty)¹ than the first slow steps in the creation of Canadian fleet units. But the case for "immediate" aid was originally based everywhere on the hypothesis of an "emergency" existing, whereas it has since become clear that the actual conditions to be faced are no temporary crisis but a permanent change in the naval situation. The actual emergency which Mr. Borden did meet, if one can infer it from what has been made public, was that the British government lacked political courage to ask their own parliament for the additional battleships which the Admiralty deemed necessary to Britain's security. One main argument for straight contribution was that it would serve to impress the world by the demonstration of Britannic solidarity. Yet the actual result has been to exhibit less of solidarity than of sectional disunion. The Canadian people, who seemed happily united on the naval issue by their parliament's resolution of March 29th, 1909, are to-day plunged in an embittered party struggle. In South Africa the consequent agitation for similar 'emergency' action has fanned to a fierce flame the embers of racial strife; the splendid endeavour of Australia is to-day beset with doubt and misgiving; in New Zealand the mood for emulating that great effort struggles with per-

¹ Perhaps the candid answer to Mr. Borden's question to the Admiralty would have been that no Dominion can render immediate and effective aid unless it has made its plans for so doing several years in advance. Even battleships take several years now to build.

plexity. Yet this very reaction—if such it is—may prove to have been the necessary prelude of a more confident advance.

More disquieting, perhaps, than any other incident of the new phase, has been the striking example of the power latent in a modern newspaper group to stampede a political party into a course which it has not thought out. The recent shelving of the essential part of Tariff Reform was effected, and could have been effected, only by the aid of that important combine which includes the *Times* and the *Daily Mail*—reaching between them all classes of the community—and which will not readily be opposed on big issues by any except the strongest of other Conservative journals. There was no apparent sign of any demand from below for this singular *volte-face* of the Unionist party. It seemed to be altogether engineered from above, and with somewhat unusual precautions to gag the voice of popular feeling within the party.¹ In fact it was a typical piece of machine politics—a wirepuller's victory. Why those who direct great newspapers, since they are not deficient in public spirit, should have consented to abet so inherently vicious a manœuvre—vicious because it thwarted the salutary return to straightforward politics—is difficult to understand. Had they too caught the infection of the superficial doctrine that somehow the German peril has done

¹ See the account given by the Lancashire correspondent of the *Morning Post*, February 4, 5, 7, 8, 1913, and *cf.* Mr. Austen Chamberlain's weighty speech, republished in the *National Review*, February, 1913.

away with the economic question which underlies every great problem of democratic statecraft, and thus come to regard Tariff Reform as a needless offence to that sound old English imperialism which, worshipping Free Trade as a national institution, would keep the Empire together by centralised sovereignty? However that may be, their amenability to reactionary influences and their power of stampede are the points to be emphasised here, because—let oversea readers be warned—the same kind of thing may happen again at future stages of the Britannic movement.¹

WHAT THE DOMINIONS CAN DECIDE

So has culminated the first decade of the Chamberlain campaign, leaving the hope of Britannic Alliance to depend almost entirely on the Dominion peoples. In Britain that Liberal cause has gathered no following to speak of. No political party has ensued it; no newspaper now champions it; no rich man has perceived in it any opportunity to become an "empire builder" and earn the recognition of his sovereign. The spell of an old-world philosophy of

¹ "Under the influence of the modern Press, with its groups of powerful journals syndicated and politically attuned to the wirepuller's will, a country may be inoculated with a new idea, or a national outlook may be completely changed from within, in a space of time which would appear incredibly short in the light of past history. Notwithstanding present appearances, it seems to be just possible that, given an uniquely favourable conjuncture of circumstances, Imperial sovereignty might be carried with a rush." *The Imperial Conference*, Introduction, p. xxiii. (published, April, 1911). Alas! the unfortunate hint seems to have been taken.

statecraft, acting on a sincere patriotism, and the gigantic forces of international finance and exploitative imperialism, strong in the ascendancy tradition, are combined to oppose its advance.

And yet that ideal, Britannic Alliance, can claim to represent the actual evolution of the modern British Empire. In one view by force of circumstances, in another by virtue of a true intuition, it has shaped and governed the Britannic movement up to the recent reaction, and is already—if appearances do not deceive—about to resume its interrupted control. In the past it has owed little to English Liberalism, less to English Conservatism, everything to the instinctive action or resistance of the Dominion peoples. In their hands continue to lie the means of deciding whether the Britannic commonwealth, if its opportunity remains, shall be *the last monument of an old order or the great exemplar of a new*.

But whatever the future may hold in store, the attempt made in these pages to trace the path and destination of Britannic Alliance is felt to be required by the events of the time. The advance of the Britannic polity along that path has been wonderfully rapid in the past fifteen years, and especially since the creation in South Africa of the fourth new nation-State, which practically completed the integral units. Real progress has been achieved despite the tremendous obstruction of interests vested in the anachronism of Britain's fiscal policy, which has impeded not only Britannic reciprocity but all the natural derivatives of that principle, including organisation for defence. Otherwise the

construction of Britannic Alliance might already have proceeded too far to be overthrown now by any belated assault under cover of a foreign "peril." But if it is already too late—if the British Empire, foregoing its unique and glorious opportunity, is doomed to vindicate the old adage that in politics the choice is the second best—there is still room for that principle of mutual-aid-in-living which, had English Liberalism cared more for itself than for a party cry, might have proved self-sufficient without the old machinery of central coercion. If centralised government there must be, despite the present tendency to revolt against constraint; if a new imperial parliament must be created, just when the old is being exposed as a servant of finance rather than of the people; at least let us ameliorate the second-best by borrowing from the best. To set up an armed sovereignty as the essential basis and guarantee of our Britannic commonwealth would surely be for us in the new century to "attempt the future's portal with the past's blood-rusted key."

THE END

APPENDIX

A NOTE ON "LOCAL NAVIES "

SINCE the term "local navy" is constantly being used to disparage the naval policy of Britannic Alliance, some analysis seems desirable. A naval force organised by a Britannic State might be "local" in one or more of several separate senses, *viz.* :

(a) A force adapted only for coastal service, *e.g.*, the "mosquito" fleet which was at one time contemplated by the Australian government, or the force planned by the Laurier government in Canada, or the "ancillary" force which the Admiralty now recommends the Dominions generally to provide concurrently with the contribution of battleships to Britain's navy.

(b) A force designed for general naval service anywhere, but restricted by political exigencies to home waters. In this sense the British navy is nowadays a "local" navy, and the apprehension is sometimes expressed that any Dominion fleet units, albeit designed for general naval service, would become similarly localised by political exigencies.

(c) A navy normally kept under local control instead of being assigned to an external government. In this sense also the British navy is a "local" navy. Likewise any Dominion fleet unit would be a local navy, except that these forces are arranged to be transferred on occasion to an external government, the British Admiralty, which would then act as a Britannic authority. At the present time, therefore, there is no example within the Empire of a "local" navy in the first and disparaging sense of that term; nor has there been any prospect of one since the supersession of the Laurier programme; nor is there likelihood of one unless any Dominion acts on the above-mentioned recommendation of the Admiralty (Mr. Churchill, March 26th, 1913), which practically makes the

abandoned programme of the late government in Canada a model for general adoption by the Dominions. And of a local navy in the second and third senses the British navy is also the only present example, though Australia contemplates the localisation of peace control—not of ships.

FLEET UNITS.

Certain difficulties of administration which attend the naval policy of Britannic Alliance may be considered under the two headings of strategical and political. (1) The strategical problem is, to quote the language of the *Times* (March 25th), that of "how to apply the just principle of local naval development without the waste and comparative inefficiency which small divided fleets would inevitably entail." In this statement of the case the important fact was ignored that the problem in question had already been fully considered, and a practical solution devised, at the naval conference of 1909. At that conference the Australian government accepted from the Admiralty the suggestion of substituting for their proposed "mosquito" local navy an ocean-going "fleet unit." The Admiralty's conception seems to have been that a new Pacific fleet should be created, doubtless with a view to rescuing the Empire from the ignominy of depending on an alien Power for the protection of its interests in that ocean. The new fleet was to consist of units which could and should be provided severally by different governments. Each such unit would normally be controlled by its own government—a recognition of national sovereignty—but would be so organised that the units, when transferred to single control under the Admiralty by order of their respective governments, would constitute a complete fleet. The term "fleet unit" was adopted as the designation of this novel kind of local navy. It was explained to mean the smallest unit (of a potential fleet) that could be regarded as self-contained for ordinary purposes of administration, and the model composition of such a unit was specified in detail. Here, then, is the actual framework of the naval system of Britannic Alliance, originated and approved by the Admiralty itself only four years ago, and subsequently worked out in some detail with the Australian government.

(2) The political difficulty—apart from that of how to unify

foreign policy, which has been treated already—lies in the question of whether the local feeling of a Britannic State would permit its fleet unit or units to be sent regularly into distant seas for conjunction with the units of partner States. Probably the local feeling in Britain, where invasion panic is now chronic because the danger seems real, would forbid the dispatch of any British unit to the Pacific or elsewhere for the purpose of combined training or for strengthening an outlying fleet of the Empire. That fleet, therefore, would have to be provided by the Dominions alone. In their case the fear of invasion is now relatively negligible, because they, in contrast with Britain, are already taking military measures sufficient to deal with any hostile expeditionary force that could probably be sent against them at short notice. At first sight, therefore, the Dominion fleet units would seem likely to be mobile, instead of being strictly localised like Britain's navy to-day. On the other hand the position is complicated for the Dominions to the extent that in their case, unlike Britain's, combination would mean temporary surrender of their naval forces to external control. But local control is essential to national liberty only so long as foreign policy is under discussion. Once a decision of policy has been reached, of a kind to require some movement of naval force, strategical considerations supervene and unified control is then necessary. Under the arrangements made in 1909 the senior naval officer would at this point take command, the other units being transferred to him for the time being by Order in Council of their respective governments. So far there seems no reason to suppose that the public spirit or intelligence of the Dominion peoples would be unequal to such action.

Judging by the typical example of Australia, the normal evolution of ideas in a Dominion is Contribution, Coastal Navy, Fleet Units.

COST OF FLEET UNITS

The Borden-Churchill correspondence has furnished the latest official estimates of the cost of Dominion fleet units. Judging by these figures Canada could maintain one fleet unit at an inclusive charge of not more than £1,000,000 a year. Taking her present population as 8,000,000, and assuming that any

rise in the cost would be balanced by the further growth of population, the tax would work out at only 2s. 6d. a head, or one quarter day's wage of an unskilled labourer in the west. At 5s. a head Canada could maintain the two fleet units proposed, one for the Pacific fleet and the other, if she so willed, in the Atlantic as a reinforcement of the British navy in European waters. At 20s. a head (equal to the naval tax in Britain) New Zealand could provide another unit of the Pacific fleet, and South Africa another at rather less, making with the Australian unit four (or five, as a second Australian unit is already projected), though the Cape unit would be equally convenient to the Atlantic.

BLOODLESS WAR

The urgency of the situation does not diminish. Already, without striking a blow, Germany has practically detached the British navy from every sea except the North Sea—a result which no Englishman a few years ago would have believed to be possible in any circumstances whatever. Yet this is the moment when the British government have thought it consonant with the dignity of the Empire to plead with the triumphant adversary for a “naval holiday,” *i.e.*, a year's respite in which they might overtake the arrears of construction and training incurred through their own blindness. Concurrently they seek from the Dominions, by a subterfuge, battleships additional to a nominal standard (“16 to 10”) which is felt to be below the margin of security for the North Sea, is liable to jugglery at that, but is not likely to be openly reinforced so long as there remains a chance of effecting the same object indirectly and at the expense of “our colonies.” Surely the best service that the Dominions could now render would be to make clear that their own resources shall be applied resolutely to retrieving the lost position in the eastern hemisphere rather than for relieving wealthier Britain of her own local duty to herself and to the Empire.

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